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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION**

In re:)	Chapter 11
)	
EaglePicher Holdings, Inc., et al.,)	Jointly Administered
)	Case No. 05-12601
Debtors.)	
)	Judge J. Vincent Aug, Jr.

DEBTORS' SECOND AMENDED JOINT PLAN OF REORGANIZATION

EaglePicher Holdings, Inc. and certain of its affiliates¹ (each, a "Debtor," and collectively, the "Debtors"), debtors and debtors in possession, jointly with the Official Committee of Unsecured Creditors appointed in the above-referenced cases (the "Creditors' Committee"), propose the following second amended joint plan of reorganization for the Debtors:

**ARTICLE 1
DEFINITIONS**

1.01 Terms Defined in the Plan. Capitalized terms used in the Plan shall have the respective meanings specified in Exhibit A to the Plan.

1.02 Terms Defined in the Bankruptcy Code. Capitalized terms used in the Plan which are not defined in Exhibit A to the Plan but which are defined in the Bankruptcy Code shall have the respective meanings specified in the Bankruptcy Code.

1.03 Rules of Interpretation. For purposes of the Plan: (i) whenever it appears appropriate from the context, each term, whether stated in the singular or the plural, shall include both the singular and the plural; (ii) any reference in the Plan to a contract, instrument, release or other agreement or document being in a particular form or on particular terms and conditions means such document substantially in such form or substantially on such terms and conditions; (iii) any reference in the Plan to an existing document or exhibit means such document or exhibit, as it may have been or may be amended, modified or supplemented; (iv) the words "herein," "hereof," "hereto," "hereunder" and others of similar import refer to the Plan in its entirety rather than to only a particular portion of the Plan; and (v) the rules of construction set

¹ The affiliated debtor entities are EaglePicher Incorporated, EaglePicher Technologies LLC, EaglePicher Filtration & Minerals, LLC, EaglePicher Pharmaceutical Services, LLC, EaglePicher Automotive, Inc., Daisy Parts, Inc. and Carpenter Enterprises Limited.

forth in section 102 of the Bankruptcy Code shall apply, except to the extent inconsistent with the express provisions of this Section 1.03 of the Plan.

1.04 Exhibits. Exhibits to the Plan may be amended from time to time, and both original and amended Exhibits may be filed with the Bankruptcy Court from time to time, but in no event later than five (5) Business Days before the date set for the hearing on the confirmation of the Plan or such other date as may be authorized by the Bankruptcy Court. Current copies of Exhibits may be obtained by reference to the Bankruptcy Court's files or shall be provided to parties in interest upon written request to the Debtors.

1.05 Time Periods. Except as specifically provided in the Plan, Bankruptcy Rule 9006(a) applies to the computation of any period of time prescribed or allowed by the Plan, and Bankruptcy Rules 9006(b) and 9006(c) apply respectively to the enlargement or reduction of any period of time prescribed or allowed by the Plan.

ARTICLE 2 PROVISIONS FOR PAYMENT OF ADMINISTRATIVE EXPENSES, PRIORITY TAX CLAIMS, CERTAIN PRIORITY CLAIMS AND DEBTOR IN POSSESSION FINANCING

2.01 Administrative Expenses. Except as otherwise provided in Section 2.02 of the Plan, Allowed administrative expenses of the kind specified in section 503(b) of the Bankruptcy Code shall be paid by the Debtors in the ordinary course of their business, (i) in Cash, on or as soon as practicable after the Effective Date; (ii) in accordance with the commercial credit terms extended by the creditor of such obligations; (iii) upon such terms as may be agreed between the Debtors and the holder of such administrative expense; (iv) for employee or retiree obligations addressed by Sections 5.14 and 10.01 of the Plan, in accordance with the provisions of the applicable collective bargaining agreement or pension plan or (v) otherwise as required by law; *provided, however*, that pursuant to the Purchase Agreements, the Debtors' obligations for goods and services arising after the Filing Date in the ordinary course of the Debtors' business shall be assumed and paid by the applicable NewCos in Cash within ten (10) days after the Effective Date.

2.02 Fees of Professionals. Professionals employed at the expense of the Estates of the Debtors and entities which may be entitled to an allowance of fees and expenses from the Estates of the Debtors incurred prior to the Effective Date pursuant to sections 503(b)(2) through 503(b)(6) of the Bankruptcy Code shall be paid by the Debtors or the Plan Trust, in Cash, as soon as practicable after the order approving such allowance of compensation or reimbursement of expenses becomes a Final Order. All professional fees for services rendered on behalf of the Debtors, the Estates or the Plan Trust in connection with the Chapter 11 Cases and the Plan after the Effective Date including, without limitation, those relating to the occurrence of the Effective Date, the prosecution of causes of action preserved under the Plan, and the resolution of disputed Claims, may be paid by the Plan Trustee upon receipt of an invoice for such services, or on such other terms as the Plan Trustee may agree to, without the need for further Bankruptcy Court authorization or entry of a Final Order. If the Plan Trustee and any professional cannot agree on

the amount of post-Effective Date fees and expenses to be paid to such professional, such amount is to be determined by the Bankruptcy Court.

2.03 Indenture Trustee Fees. All reasonable compensation, fees, expenses, disbursements and indemnity claims incurred by the Pre-Petition Note Indenture Trustee before, on and after the Petition Date (the "Indenture Trustee Fees"), including the reasonable fees, expenses and disbursements of agents and counsel retained by the Indenture Trustee, shall be paid in Cash on the Effective Date by the Debtors, without the need for application to, or approval of, any court. Payment of the Indenture Trustee Fees is subject to the review of the Debtors and the Creditors' Committee. The Bankruptcy Court shall resolve any objections of the Debtors and the Creditors' Committee with regard to the Indenture Trustee Fees that are not capable of resolution. To the extent that the Pre-Petition Note Indenture Trustee provides services related to distributions pursuant to the Plan, the Pre-Petition Note Indenture Trustee will receive from the Plan Trustee, without further Bankruptcy Court approval, reasonable compensation for such services and reimbursement of reasonable expenses incurred in connection with such services. These payments will be made on terms agreed to between the Pre-Petition Note Indenture Trustee and Plan Trustee. The Pre-Petition Note Indenture Trustee's Charging Lien will be discharged solely upon payment in full of the Indenture Trustee Fees. Nothing herein shall be deemed to impair, waive or discharge the Charging Lien.

2.04 Priority Tax Claims. Each holder of an Allowed Priority Tax Claim, except to the extent that a holder of such Claim and the applicable Debtor agree to a different treatment, shall receive, in full satisfaction of such Claim, payment in Cash of the amount of such Allowed Claim over a period not exceeding six (6) years after the date of assessment of such Claim, with interest at a rate equal to the Federal Judgment Rate as of the Confirmation Date, in periodic payments having a value, as of the Effective Date, equal to the amount of such Allowed Priority Tax Claim; *provided, however*, that Debtors or Plan Trustee, as the case may be, retain the right to prepay any such Allowed Priority Tax Claim, or any remaining balance of such Allowed Priority Tax Claim, in full or in part, at any time on or after the Effective Date without premium or penalty. Any future Distributions to be made on account of any such Allowed Priority Tax Claim after the Effective Date shall be made by the Plan Trustee in accordance with the Plan Trust Agreement.

2.05 Other Priority Claims. Except as otherwise provided in this Article 2 of the Plan, Allowed Unsecured Claims of the kinds specified in section 507(a) of the Bankruptcy Code shall be paid by the Debtors or the Plan Trustee, as the case may be, in Cash, on or as soon as practicable after the Effective Date, on such later date as they become due and payable in accordance with their respective terms or on such later date as such Claim is Allowed.

2.06 Debtor In Possession Financing. On the Effective Date, all of the Debtors' outstanding Senior Replacement DIP Facility Obligations and Junior Replacement DIP Facility Obligations shall be either: (a) fully, finally and indefeasibly satisfied through the conversion of the Senior Replacement DIP Facility and the Junior Replacement DIP Facility into the Senior Exit Financing Facility and the Junior Exit Financing Facility, respectively; or (b) paid in full, in Cash, in the Allowed amount of the Senior Replacement DIP Facility Obligations and Junior Replacement DIP Facility Obligations.

ARTICLE 3
CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

All Claims and Interests, except Administrative Claims, Priority Tax Claims, Other Priority Claims and any other unclassified Claims are placed in the Classes as set forth below. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Priority Tax Claims and Other Priority Claims have not been classified, and the respective treatments of such unclassified Claims are set forth in Article 2 of this Plan.

A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim is also placed in a particular Class for the purpose of receiving Distributions pursuant to this Plan only to the extent that such Claim is an Allowed Claim in that Class and such Claim has not been paid, released or otherwise settled prior to the Effective Date. The value of any Distributions received by Holders of Claims in satisfaction of interest-bearing obligations shall be allocated first to the full satisfaction of the principal of such interest-bearing obligations and second in satisfaction of any accrued and unpaid interest.

3.01 Secured Claims. Class 1 shall consist of all Claims that are both Allowed and Secured, as those terms are defined in Exhibit A hereto.

3.02 Unsecured Claims. Unsecured Claims shall be classified in the following Classes:

(a) Class 2: Pre-Petition Note Claims.

- (i) Class 2A shall consist of Pre-Petition Note Claims against Holdings.
- (ii) Class 2B shall consist of Pre-Petition Note Claims against EPI.
- (iii) Class 2C shall consist of Pre-Petition Note Claims against EPT.
- (iv) Class 2D shall consist of Pre-Petition Note Claims against EPPHS.
- (v) Class 2E shall consist of Pre-Petition Note Claims against EPFM.
- (vi) Class 2F shall consist of Pre-Petition Note Claims against the Hillsdale Debtors.

(b) Class 3: Other Unsecured Claims.

- (i) Class 3A shall consist of Other Unsecured Claims against Holdings.

- (ii) Class 3B shall consist of Other Unsecured Claims against EPI.
- (iii) Class 3C shall consist of Other Unsecured Claims against EPT.
- (iv) Class 3D shall consist of Other Unsecured Claims against EPPHS.
- (v) Class 3E shall consist of Other Unsecured Claims against EPFM.
- (vi) Class 3F shall consist of Other Unsecured Claims against the Hillsdale Debtors.

3.03 Equity Interests. Class 4 shall consist of the Equity Interests.

ARTICLE 4 PROVISIONS FOR TREATMENT OF CLASSES OF CLAIMS AND EQUITY INTERESTS

4.01 Treatment of Secured Lender Claims (Class 1). Class 1 is not Impaired. Each holder of a Class 1 Claim shall be treated as though such holder comprises a separate Class hereunder. In full settlement, release and discharge of all Class 1 Claims, on the Effective Date or as soon thereafter as practicable, each holder of a Class 1 Allowed Claim shall receive one of the following treatments, at the option of the applicable Debtor: (i) the payment of such holder's Class 1 Allowed Claim in full, in Cash, (ii) the payment to such holder of sale or disposition proceeds of the property securing such holder's Class 1 Allowed Claim to the extent of the value of its interest in such property, or (iii) satisfied pursuant to an agreement by and among the Debtors, the Holder of the Class 1 Allowed Claim and, to the extent applicable, the appropriate NewCo. The particular manner and treatment of each Class 1 Allowed Claim shall be determined by the Debtors and transmitted, in writing, to each holder of a Class 1 Allowed Claim on or prior to the commencement of the Confirmation Hearing.

4.02 Treatment of Pre-Petition Note Claims (Classes 2A through 2F).

- (a) For purposes of the Plan, the Pre-Petition Note Claims against each of the Debtors are deemed allowed in the amount of \$252,708,333.33.
- (b) Class 2A is Impaired. Each holder of a Class 2A Allowed Claim shall receive, on the Initial Distribution Date and any Subsequent Distribution Dates, to the extent available for Distribution, its Pro Rata Share of any Estate Cause of Action Recoveries of Holdings.
- (c) Class 2B is Impaired. Each holder of a Class 2B Allowed Claim shall receive, on the Initial Distribution Date and any Subsequent Distribution Dates, to the extent available for Distribution, its Pro Rata Share of any Estate Cause of Action Recoveries of EPI, its Pro Rata Share of any Residual Interest in the Custodial Trust Accounts relating to Designated Property and Transitional Property owned by EPI immediately prior to the Effective Date.

- (d) Class 2C is Impaired. Each holder of a Class 2C Allowed Claim shall receive:
- (i) on the Effective Date its Unsecured Claim Distribution Amount in the form of New HoldCo Common Stock (subject to dilution for the Management Incentive Plan);
 - (ii) its Pro Rata Share of any Estate Cause of Action Recoveries of EPT to be distributed on the Initial Distribution Date and any Subsequent Distribution Dates, to the extent such Estate Cause of Action Recoveries are available for Distribution;
 - (iii) its Pro Rata Share of any Residual Interest in the Custodial Trust Accounts relating to Designated Property and Transitional Property owned by EPT immediately prior to the Effective Date; and
 - (iv) its Pro Rata Share of any Excess Cash on each applicable Distribution Date; provided, however, that such Pro Rata Share of Excess Cash shall be paid directly by the Plan Trust to New HoldCo on behalf of each such holder.
- (e) Class 2D is Impaired. Each holder of a Class 2D Allowed Claim shall receive:
- (i) on the Effective Date, its Unsecured Claim Distribution Amount in the form of New HoldCo Common Stock (subject to dilution for the Management Incentive Plan);
 - (ii) its Pro Rata Share of any Estate Cause of Action Recoveries of EPPHS to be distributed on the Initial Distribution Date and any Subsequent Distribution Dates, to the extent such Estate Cause of Action Recoveries are available for Distribution; and
 - (iii) its Pro Rata Share of any Excess Cash on each applicable Distribution Date; provided, however, that such Pro Rata Share of Excess Cash shall be paid directly by the Plan Trust to New HoldCo on behalf of each such holder.
- (f) Class 2E is Impaired. Each holder of a Class 2E Allowed Claim shall receive:
- (i) on the Effective Date, its Unsecured Claim Distribution Amount in the form of New HoldCo Common Stock (subject to dilution for the Management Incentive Plan);
 - (ii) its Pro Rata Share of any Estate Cause of Action Recoveries of EPFM to be distributed on the Initial Distribution Date and any

Subsequent Distribution Dates, to the extent such Estate Cause of Action Recoveries are available for Distribution; and

- (iii) its Pro Rata Share of any Excess Cash on each applicable Distribution Date; provided, however, that such Pro Rata Share of Excess Cash shall be paid directly by the Plan Trust to New HoldCo on behalf of each such holder.
- (g) Class 2F is Impaired. Each holder of a Class 2F Allowed Claim shall receive:
 - (i) on the Effective Date, its Unsecured Claim Distribution Amount in the form of New HoldCo Common Stock (subject to dilution for the Management Incentive Plan);
 - (ii) its Pro Rata Share of any Estate Cause of Action Recoveries of the Hillsdale Debtors to be distributed on the Initial Distribution Date and any Subsequent Distribution Dates, to the extent such Estate Cause of Action Recoveries are available for Distribution;
 - (iii) its Pro Rata Share of any Excess Cash on each applicable Distribution Date; provided, however, that such Pro Rata Share of Excess Cash shall be paid directly by the Plan Trust to New HoldCo on behalf of each such holder; and
 - (iv) its Pro Rata Share of any Residual Interest in the Custodial Trust Accounts relating to Designated Property and Transitional Property owned by the Hillsdale Debtors immediately prior to the Effective Date.

4.03 Treatment of Other Unsecured Claims (Classes 3A through 3F).

- (a) Class 3A is Impaired. Each holder of a Class 3A Allowed Claim shall receive, on the Initial Distribution Date and any Subsequent Distribution Dates, to the extent available for Distribution, its Pro Rata Share of any Estate Cause of Action Recoveries of Holdings.
- (b) Class 3B is Impaired. Each holder of a Class 3B Allowed Claim shall receive, on the Initial Distribution Date and any Subsequent Distribution Dates, to the extent available for Distribution, its Pro Rata Share of any Estate Cause of Action Recoveries of EPI, its Pro Rata Share of any Residual Interest in the Custodial Trust Accounts relating to Designated Property and Transitional Property owned by EPI immediately prior to the Effective Date.
- (c) Class 3C is Impaired. Each holder of a Class 3C Allowed Claim shall receive:

- (i) at the option of the holder, either:
 - (A) its Unsecured Claim Distribution Amount in the form of Deferred Cash Payments and, on each applicable Distribution Date, its Pro Rata Share of any Excess Cash; or
 - (B) a lump sum cash payment on the Initial Cash Option Distribution Date (or, after the allowance of any such claim that is a Disputed Claim on the Effective Date, on the Subsequent Cash Option Distribution Date) equal to 75% of its Estimated Unsecured Claim Distribution Amount; plus
 - (ii) its Pro Rata Share of any Estate Cause of Action Recoveries of EPT to be distributed on the Initial Distribution Date and any Subsequent Distribution Dates, to the extent such Estate Cause of Action Recoveries are available for Distribution; and
 - (iii) its Pro Rata Share of any Residual Interest in the Custodial Trust Accounts relating to Designated Property and Transitional Property owned by EPT immediately prior to the Effective Date.
- (d) Class 3D is Impaired. Each holder of a Class 3D Allowed Claim shall receive:
- (i) at the option of the holder, either:
 - (A) its Unsecured Claim Distribution Amount in the form of Deferred Cash Payments and, on each applicable Distribution Date, its Pro Rata Share of any Excess Cash; or
 - (B) a lump sum cash payment on the Initial Cash Option Distribution Date (or, after the allowance of any such claim that is a Disputed Claim on the Effective Date, on the Subsequent Cash Option Distribution Date) equal to 75% of its Estimated Unsecured Claim Distribution Amount; plus
 - (ii) its Pro Rata Share of any Estate Cause of Action Recoveries of EPPHS to be distributed on the Initial Distribution Date and any Subsequent Distribution Dates, to the extent such Estate Cause of Action Recoveries are available for Distribution.

- (e) **Class 3E is Impaired.** Each holder of a Class 3E Allowed Claim shall receive:
 - (i) at the option of the holder, either:
 - (A) its Unsecured Claim Distribution Amount in the form of Deferred Cash Payments and, on each applicable Distribution Date, its Pro Rata Share of any Excess Cash; or
 - (B) a lump sum cash payment on the Initial Cash Option Distribution Date (or, after the allowance of any such claim that is a Disputed Claim on the Effective Date, on the Subsequent Cash Option Distribution Date) equal to 75% of its Estimated Unsecured Claim Distribution; plus
 - (ii) its Pro Rata Share of any Estate Cause of Action Recoveries of EPFM to be distributed on the Initial Distribution Date and any Subsequent Distribution Dates, to the extent such Estate Cause of Action Recoveries are available for Distribution.
- (f) **Class 3F is Impaired.** Each holder of a Class 3F Allowed Claim shall receive:
 - (i) at the option of the holder, either:
 - (A) its Unsecured Claim Distribution Amount in the form of Deferred Cash Payments and, on each applicable Distribution Date, its Pro Rata Share of any Excess Cash; or
 - (B) a lump sum cash payment on the Initial Cash Option Distribution Date (or, after the allowance of any such claim that is a Disputed Claim on the Effective Date, on the Subsequent Cash Option Distribution Date) equal to 75% of its Estimated Unsecured Claim Distribution Amount; plus
 - (ii) its Pro Rata Share of any Estate Cause of Action Recoveries of the Hillsdale Debtors to be distributed on the Initial Distribution Date and any Subsequent Distribution Dates, to the extent such Estate Cause of Action Recoveries are available for Distribution; and
 - (iii) its Pro Rata Share of any Residual Interest in the Custodial Trust Accounts relating to Designated Property and Transitional Property owned by the Hillsdale Debtors immediately prior to the Effective Date.

4.04 Treatment of Equity Interests (Class 4). Class 4 is Impaired. Holders of Class 4 Allowed Equity Interests shall receive no Distribution on account of such Equity Interests.

4.05 Subordination Rights. The classification and treatment of all Claims and Equity Interests under the Plan take into consideration all contractual, legal, and equitable subordination rights, whether arising under general principles of equitable subordination, sections 510(b) and 510(c) of the Bankruptcy Code or otherwise, that a holder of a Claim or Equity Interest may have against other Claim or Equity Interest holders with respect to any Distribution made in accordance with the Plan. As of the Effective Date, all contractual, legal, or equitable subordination rights that a holder of a Claim or Equity Interest may have with respect to any Distribution to be made in accordance with the Plan are discharged and terminated, and all actions related to the enforcement of such subordination rights are permanently enjoined. Distributions under the Plan are not subject to payment to any beneficiaries of such terminated subordination rights, or to levy, garnishment, attachment, or other legal process by any beneficiary of such terminated subordination rights.

4.06 Withholding Taxes. The Debtors or the Plan Trustee, as the case may be, may deduct any applicable federal or state withholding taxes from any Distributions made pursuant to the Plan.

4.07 Set Offs. The Debtors may, but shall not be required to, set off or recoup against any Claim and the payments or other Distributions to be made pursuant to the Plan in respect of such Claim, claims of any nature whatsoever which the Debtors or the Estates may have against the holder of such Claim to the extent such claims may be set off or recouped under applicable law, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the Plan Trust of any such claim or counterclaim that they may have against such holder.

4.08 Timing of Payments and Distributions. Any payments or Distributions to be made under the Plan shall be deemed to be timely made if made within twenty (20) days after the date specified in the Plan and Plan Trust Agreement, as applicable, or as soon thereafter as reasonably practicable. Whenever any Distribution to be made under the Plan or Plan Trust Agreement shall be due on a day other than a Business Day, such Distribution shall instead be made, without interest, on the immediately succeeding Business Day, but shall be deemed to have been made on the date due. The value of any Distributions received by Holders of Claims in satisfaction of interest-bearing obligations shall be allocated first to the full satisfaction of the principal of such interest-bearing obligations and second in satisfaction of any accrued and unpaid interest.

4.09 Manner of Payments. Unless the person or entity receiving a payment agrees otherwise, any payment of Cash to be made by a Debtor or Plan Trust shall be made, at the election of the Debtor or Plan Trustee (as the case may be), by check drawn on a domestic bank or by wire transfer from a domestic bank; *provided, however*, that no Cash payments shall be made to a Holder of an Allowed Claim until such time as the amount payable thereto is equal to or greater than Fifty Dollars (\$50.00).

4.10 Time Bar to Cash Payments. Checks issued by the a Debtor or Plan Trust on account of Allowed Claims shall be null and void if not negotiated within ninety (90) days from and after the date of issuance thereof. Requests for reissuance of any check shall be made directly to the Debtor or Plan Trustee by the holder of the Allowed Claim with respect to which such check originally was issued. Any claim in respect of such a voided check shall be made on or before the later of (i) the second anniversary of the Effective Date or (ii) ninety (90) days after the date of issuance of such check, if such check represents a final Distribution hereunder on account of such Claim. After such date, all claims in respect of voided checks shall be discharged and forever barred and the Debtors and/or Plan Trust, as the case may be, shall retain all monies related thereto.

4.11 Impaired Classes to Vote. Each holder of a Claim or Equity Interest in an impaired Class not otherwise deemed to have rejected the Plan shall be entitled to vote to accept or reject the Plan. In the event of a controversy as to whether any Class of Claims or Equity Interests is impaired under the Plan, the Bankruptcy Court shall, after notice and a hearing, determine such controversy.

4.12 Cram-Down. If any Impaired Class fails to accept the plan by the requisite statutory majorities, the Debtors reserve the right to confirm the Plan by a "cram-down" of such non-accepting Class pursuant to section 1129(b) of the Bankruptcy Code. In the event the Bankruptcy Court declines to impose a "cram-down" on a non-accepting Class unless certain modifications are made to the terms and conditions of such Class' treatment under the Plan, the Debtors, with the consent of the Creditors' Committee, which consent shall not be unreasonably withheld, reserve the right, without re-solicitation to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules, to propose any such modifications and to seek confirmation of the Plan as modified.

ARTICLE 5 IMPLEMENTATION OF THE PLAN

5.01 Restructuring Transaction. On or prior to the Effective Date, New HoldCo and the following direct or indirect subsidiary NewCos, among others, shall be formed for the purpose of acquiring the Transferred Assets of the Debtors: New Management Co., New EP Automotive LLC, New EP Technologies LLC, New EP Filtration & Minerals LLC, EP Real Estate LLC, New Wolverine LLC, New Hillsdale LLC, New Boron LLC, New EP Pharmaceutical LLC and New DSP LLC². New HoldCo Common Stock shall be authorized but not issued until Distributions of such stock are required under the Plan.

5.02 Transfer of Assets to NewCos. On the Effective Date, and in accordance with the terms of the Purchase Agreements to be filed with the Plan Supplement and as more specifically set forth below, for good and valuable consideration, all of the Transferred Assets shall be sold, conveyed, assigned, transferred and delivered to the respective NewCo, free and clear of all Liens, Claims, Other Interests, Equity Interests and Interests asserted by the Debtors, any creditors of the Debtors, Entity or other Persons to the fullest extent permitted by applicable

² The legal names of the NewCos upon formation may differ from the names identified above.

law, including, but not limited to, sections 363, 1123, 1129, and 1141 of the Bankruptcy Code, save and excepting the Assumed Liabilities expressly specified in the Plan or the Purchase Agreements or other specific obligations expressly undertaken by New HoldCo or any NewCo in the Plan. Neither New HoldCo nor any NewCo shall be or be deemed to be a successor of (whether de facto or otherwise) or have merged into or with any of the Debtors. Except for any Assumed Liabilities expressly set forth in the Plan or the Purchase Agreements or other specific obligations expressly undertaken by New HoldCo or any NewCo in the Plan, neither New HoldCo nor any NewCo shall, to the fullest extent permitted by applicable law, including, but not limited to, sections 363, 1123, 1129, and 1141 of the Bankruptcy Code, have any liability, obligation or responsibility with respect to any Claims against or Equity Interests in any of the Debtors, including without limitation any amounts owed by the Debtors to holders of Claims or Equity Interests or any obligations of the Debtors or the Plan Trust pursuant to the Plan. The terms, provisions and conditions of the Purchase Agreements shall govern the obligations of the Debtors, New HoldCo and the NewCos with respect to the transfer of Transferred Assets and related transactions and to the extent inconsistent with the Plan, the Purchase Agreements shall control. The Confirmation Order shall constitute an Order approving the Purchase Agreements and all transactions contemplated thereby, including the transfer of the Transferred Assets free and clear of any Liens, Claims, Interests, Other Interests or Equity Interests. As provided in the Purchase Agreements, each of the Debtors (other than EaglePicher Holdings, Inc.) shall transfer its Transferred Assets (including, without limitation, equity interests in Non-Debtor Subsidiaries, affiliates and joint ventures) to the specified NewCo entity identified in Exhibit B³ to the Plan in exchange for Plan Consideration having an aggregate value equal in amount to the value of the applicable Transferred Assets, in each case as determined by the Bankruptcy Court.

5.03 Indemnification. Pursuant to the Purchase Agreements, the existing indemnification obligations of the Debtors to their current directors, officers and employees will be assumed and assigned to the applicable NewCos.

5.04 Issuance of New HoldCo Common Stock. The Plan contemplates the issuance of New HoldCo Common Stock, which, together with other Plan Consideration, shall be delivered to the Debtors in exchange for the Transferred Assets and subsequently distributed as provided herein. New HoldCo and the NewCos shall execute and deliver such other agreements, documents and instruments, as is necessary to effectuate the Plan. On the Effective Date, New HoldCo shall issue ten million (10,000,000) shares of New HoldCo Common Stock. The New HoldCo Common Stock shall be issued to the NewCos in amounts sufficient to fund that portion of the Plan Consideration to be paid by each NewCo in the form of New HoldCo Common Stock pursuant to the applicable Purchase Agreement. After New HoldCo Common Stock is paid to the applicable Debtor in accordance with the applicable Purchase Agreement, those shares shall be distributed to the creditors of the applicable Debtor in accordance with the Plan.

5.05 Exemption From Securities Laws. Although section 1145 of the Bankruptcy Code may exempt the offer and sale by the Debtors and New HoldCo of the New HoldCo

³ It is possible that, as a result of business or tax planning opportunities and in order to maximize tax efficiencies, the actual NewCo organizational structure implemented upon the Effective Date may change, however any such changes will not be materially adverse to any Creditors.

Common Stock from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), the Debtors and New HoldCo intend to rely on the exemption from registration provided by Section 4(2) of the Securities Act and/or Regulation D promulgated thereunder. As a result, and notwithstanding the provisions of Article 4, no New HoldCo Common Stock shall be issued and distributed to any holder of an Allowed Claim entitled to receive New HoldCo Common Stock under Article 4 until such holder shall have delivered to the Debtors and New HoldCo a duly executed Subscription Form and Shareholders Agreement.

5.06 Cancellation of Existing Debt Securities. On the Effective Date, except as otherwise specifically provided for herein, and excluding any equity owned by a Debtor in any non-Debtor entity, (a) the Pre-Petition Note Indenture, Equity Interests, and any other note, bond or other instrument or document evidencing or creating any indebtedness or obligation of the Debtors, except such notes or other instruments evidencing indebtedness or obligations of the Debtors that are reinstated under this Plan, will be cancelled, and (b) the obligations of, and Claims against the Debtors under, relating, or pertaining to any agreements, Pre-Petition Note Indentures, Equity Interests, or similar documents and any other note, bond, Pre-Petition Note Indenture, or other instrument or document evidencing or creating any indebtedness or obligation of the Debtors, except such notes or other instruments evidencing indebtedness or obligations of the Debtors that are reinstated under this Plan, as the case may be, shall be deemed automatically cancelled without further act or action under any applicable agreement, law, regulation, order or rule and the obligations of the Debtors and the Debtors' affiliates and the Pre-Petition Note Indenture Trustee, as applicable, under the agreements and indenture governing such claims and equity interests, as the case may be, shall be discharged; *provided, however*, that the Pre-Petition Notes and Pre-Petition Note Indenture shall continue in effect solely for the purposes of (i) allowing the holders of the Pre-Petition Notes to receive their distributions hereunder, (ii) allowing the Pre-Petition Note Indenture Trustee to make the distributions to be made on account of the Pre-Petition Notes, and (iii) permitting the Pre-Petition Note Indenture Trustee to assert its Charging Lien against such distributions for payment of the Indenture Trustee Fees.

5.07 Plan Financing. On the Effective Date, the Debtors may exercise their option to convert the Senior Replacement DIP Facility into the Senior Exit Financing Facility and to convert the Junior Replacement DIP Facility into the Junior Exit Financing Facility. The Exit Financing Facilities or any alternative exit financing arrangements shall be extended to New HoldCo and the NewCos, and either the satisfaction of the Senior Replacement DIP Facility Obligations and the Junior Replacement DIP Facility Obligations through such conversion or the proceeds of any alternative exit financing arrangements shall constitute a portion of the Plan Consideration. The Debtors, New HoldCo and the NewCos shall enter into all documents necessary and appropriate in connection with the Exit Financing Facilities or any alternative financing arrangements. The principal Exit Financing Facilities documents or any documents memorializing alternative financing arrangements shall be filed by the Debtors with the Bankruptcy Court as part of the Plan Exhibits no later than the Exhibit Filing Date. Pursuant to the Confirmation Order, the Bankruptcy Court shall approve the terms of the Exit Financing Facilities or any alternative financing arrangements in substantially the form filed with the Bankruptcy Court (and with such changes as to which the applicable Debtors, New HoldCo, the NewCos and respective agents and lenders parties thereto may agree) and authorize New HoldCo and the NewCos to execute the same together with such other documents as the applicable

Debtors and the applicable lenders may reasonably require in order to effectuate the treatment afforded to such parties under the Exit Financing Facilities or any alternative financing arrangements.

5.08 Substantive Consolidation. The Plan shall in part be implemented through a substantive consolidation of the assets and liabilities of Debtors EaglePicher Automotive, Inc., Daisy Parts Inc. and Carpenter Enterprises Limited (each, a "Hillsdale Debtor," and collectively, the "Hillsdale Debtors"). There shall be no substantive consolidation of any of the Debtors other than the Hillsdale Debtors. The Plan shall serve as a motion seeking the entry of an order substantively consolidating the Hillsdale Debtors' chapter 11 cases, as described herein. The substantive consolidation of the assets and liabilities and properties of the Hillsdale Debtors shall occur only upon occurrence of the Effective Date and shall have the following effects, among others:

- (a) The chapter 11 cases of the Hillsdale Debtors shall be consolidated into the case of as a single consolidated case. All property of the estate of each Hillsdale Debtor shall be deemed to be property of the consolidated Hillsdale Debtors.
- (b) All Claims against each of the Hillsdale Debtor's estates shall be deemed to be Claims against the consolidated Hillsdale Debtors' estate, all proofs of claim filed against one or more of the Hillsdale Debtors shall be deemed to be a single claim filed against the consolidated Hillsdale Debtors' estate, and all duplicate proofs of claim for the same claim filed against more than one of the Hillsdale Debtors Debtor shall be deemed expunged.
- (c) No Distributions under the Plan shall be made on account of Intercompany Claims by and among the Hillsdale Debtors and such Intercompany Claims shall not be treated or affected by the Plan.
- (d) All equity interests owned by one Hillsdale Debtor in an affiliate shall remain outstanding after the Confirmation Date and shall not be affected by the Plan.
- (e) Except as specifically provided herein, all guarantees by one Hillsdale Debtor in favor of any other Hillsdale Debtors shall be eliminated, and no Distributions under this Plan shall be made on account of Claims based upon such guarantees.
- (f) For purposes of determining the availability of the right of setoff under section 553 of the Bankruptcy Code, the Hillsdale Debtors shall be treated as one consolidated entity so that, subject to the other provisions of section 553, debts due to any of Hillsdale Debtors may be set off against the debts of any other of Hillsdale Debtors.
- (g) Substantive consolidation shall not merge or otherwise affect the separate legal existence of (a) each Hillsdale Debtor for licensing, regulatory or other

purposes, other than with respect to Distribution rights under this Plan and (b) of Debtors other than the Hillsdale Debtors.

- (h) Substantive consolidation shall have no effect on valid, enforceable and unavoidable liens, except for liens that secure a Claim that is eliminated by virtue of substantive consolidation and liens against collateral that are extinguished by virtue of substantive consolidation. Substantive consolidation shall not impair or adversely affect in any respect any of the liens, claims, rights, priorities, protections and remedies granted under the Replacement DIP Order, the Senior Replacement DIP Facility, the Junior Replacement DIP Facility or the Senior or Junior Exit Financing Facilities.
- (i) Substantive consolidation shall not have the effect of creating a Claim in a Class different from the Class in which a Claim would have been placed in the absence of substantive consolidation.
- (j) Substantive consolidation shall not effect any applicable date(s) for purposes of pursuing any avoidance actions or other actions reserved to the Hillsdale Debtors pursuant to the Plan.
- (k) Substantive consolidation shall not impact or otherwise affect provisions in the Plan, if any, which provide that specific entities comprising the Hillsdale Debtors shall be liable on specific obligations under the Plan.

5.09 Vesting of Assets. Except as otherwise provided herein or in the Purchase Agreements or Confirmation Order, on the Effective Date the Transferred Assets of each of the Debtors shall vest in the specified NewCo as provided in the Plan, free and clear of all Liens, Claims, Interests, Equity Interests, encumbrances and Other Interests. After the Effective Date, the NewCos will own the Transferred Assets and operate their businesses and manage their affairs free of any restrictions contained in the Bankruptcy Code.

5.10 Management Incentive Plan. The Management Incentive Plan shall be deemed to be authorized and approved in all respects. The Management Incentive Plan shall be implemented to provide those senior management members of New HoldCo and the NewCos who are designated by the New HoldCo's Board of Directors with options to purchase New HoldCo Common Stock or other cash or non-cash compensation or incentives, in all cases in amounts and on terms to be determined by the New HoldCo Board of Directors, provided that options for at least 10% of the New HoldCo Common Stock shall be reserved for issuance under the Management Incentive Plan in the aggregate.

5.11 Operations of NewCos. On and after the Effective Date, New HoldCo and the NewCos will operate their businesses as separate legal entities independent and distinct from, and not as successors to (whether de facto or otherwise), the Debtors. New HoldCo shall have a Board of Directors of up to eight (8) members, all of whom shall be acceptable to the Majority Noteholders. Pursuant to the Purchase Agreements, all employees in good standing with any of

the Debtors as of the Effective Date will be offered the same positions they held immediately prior to the Effective Date at New HoldCo or the appropriate NewCo, as the case may be.

5.12 Creation, Operation and Vesting of Assets in EP Custodial Trust.

(a) On the Effective Date, the Designated Property and the Transitional Property will be transferred to the EP Custodial Trust which will take title to the Transitional Property and Designated Property pursuant to the Custodial Trust Agreement, *provided, however*, that all property currently titled in the name of EPI located in Cherokee County, Kansas shall be treated as property titled in the name of EPT (consistent with the pre-petition documentation governing the transfer of such property from EPI to EPT) and shall be treated as EPT property for purposes of funding the EP Custodial Trust. The purpose and objective of the EP Custodial Trust will be as set forth in the Custodial Trust Agreement, but will including: (i) owning the Designated Property and owning and leasing the Transitional Property pursuant to the TP Leases; (ii) managing the Environmental Actions and funding the applicable Environmental Costs; (iii) where applicable, continuing Environmental Actions currently underway at any of the properties; (iv) implementing the terms of any settlement agreements with the Environmental Agencies; and (v) ultimately selling, transferring or otherwise disposing of the Designated Property and Transitional Property to one or more third parties.

(b) The EP Custodial Trust will be administered by the Custodial Trustee pursuant to the terms and conditions of the Custodial Trust Agreement.

(c) The EP Custodial Trust will be funded in amounts that the Bankruptcy Court determines at the Confirmation Hearing are sufficient to pay the Environmental Costs of the Designated Property and Transitional Property and to administer the EP Custodial Trust. As determined by the Bankruptcy Court, some or all of the Funding of the EP Custodial Trust will be generated from the leasing of Transitional Property to one or more of the NewCos pursuant to the TP Leases. The Funding of the EP Custodial Trust with respect to the Designated Property constitutes an administrative expense of EPI, EPT and the Hillsdale Debtors, respectively. On the Effective Date the Debtors shall deposit that portion of the Funding that consists of cash in the Custodial Trust Accounts established by the EP Custodial Trust pursuant to the terms of the Custodial Trust Agreement and the Custodial Trustee and the applicable NewCos shall execute the TP Leases. The Debtors may, but shall not be obligated to, obtain insurance or other credit or similar support for funding Environmental Costs of the EP Custodial Trust as they determine in their reasonable discretion.

(d) Except as otherwise provided for in the Custodial Trust Agreement, from the Effective Date to the date on which the Plan Trust terminates, any Over-Funding and Residual Interest in the EP Custodial Trust will be granted to the Plan Trust for the benefit of holders of Unsecured Claims against the Debtor who owned the Designated Property or Transitional Property from which such Over-Funding or Residual Interest was generated. From and after the date on which the Plan Trust terminates, any remaining Residual Interest in the EP Custodial Trust will be granted to the States in which the Designated Property and Transitional Property is located on a pro rata basis. In the event a State were to reject such remaining Residual Interest, then such Residual Interest will revert to the county government in which such Designated

Property is located, and thereafter to such charity as the Custodial Trustee shall designate in his sole discretion.

(e) If the Debtors reach settlement agreement(s) with the USEPA and other applicable Environmental Agencies with respect to the treatment under the Plan of the Designated Property, the Transitional Property or any part thereof, the Debtors will lodge and file such settlement agreements with the Bankruptcy Court and seek approval thereof at the Confirmation Hearing. The Plan and the creation and funding of the EP Custodial Trust is not contingent upon the Debtors reaching a settlement with the USEPA and other applicable governmental agencies.

(f) Neither New HoldCo nor any of the NewCos shall be or be deemed to be an owner, operator, trustee, partner, agent, shareholder, officer or director of the EP Custodial Trust, or an owner or operator of the Designated Property, or an owner of the Transitional Property *provided, however*, nothing herein shall relieve any entity of any liability for any new acts after the Effective Date creating liability under Environmental Laws and nothing herein shall relieve any entity that operates or owns the Properties after the Effective Date from any liability under Environmental Laws as an operator or owner of the Properties after the Effective Date.

(g) The Custodial Trust Accounts shall likely be treated as either a "qualified settlement fund" as that term is defined in Treasury Regulation section 1.468B-1, or as a "disputed ownership fund" as that term is defined in Treasury Regulation section 1.468B-9. If the Custodial Trust Accounts are treated as qualified settlement funds, the Custodial Trustee will not elect to have such fund be treated as a subpart E trust, and shall comply with all tax reporting and withholding requirements imposed under applicable tax laws. If the Custodial Trust Accounts are treated as a disputed ownership fund, the Custodial Trustee shall elect to treat such fund as a "C Corporation" and shall comply with all tax reporting and withholding requirements imposed under applicable tax laws. The Custodial Trust Accounts will be taxable entities.

(h) The EP Custodial Trust, the Custodial Trustee, New HoldCo and NewCo and their respective affiliates, subsidiaries, parents, members, shareholders, officers, directors, managers, employees, consultants, agents, lenders, attorneys, or other professionals and representatives shall be accorded under the Plan and Confirmation Order the broadest protection available under law with respect to any and all liability related to or in connection with the Designated Property, Transitional Property, and the EP Custodial Trust, including, but not limited to, CERCLA § 107(n), 42 U.S.C. § 9607(n); O.R.C. § 3746.27(A) (Ohio); 415 ILCS 5/22.2(h)(2)(D) (Illinois); MCL § 324.20101-20101b (Michigan); and Mo. R.S. § 427.031 (Missouri).

5.13 Dissolution of Corporate Existence of Debtors. On the first Business Day of the month following the month in which the Effective Date occurs or as soon thereafter as the Debtors determine (the "Dissolution Date"), (a) the Debtors, exclusive of their respective Estates, shall be dissolved in accordance with applicable non-bankruptcy law, including, without limitation, Ohio Revised Code section 1701.75, Delaware Limited Liability Company Act section 18-801, Michigan Business Corporation Act section 450.1861 through 450.1863 and

chapter 78 section 622 of the Nevada Revised Statutes⁴; (b) the affairs of the Debtors shall be deemed to have been completely wound up; and (c) the Debtors shall cease to exist as legal entities. Each of the foregoing actions shall be effective as of the Dissolution Date without the requirement to take any additional action or provide further notice to any Person, Holder, or Governmental Unit (as defined in section 101(27) of the Bankruptcy Code); provided that the Debtors may, but shall not be required to, file certificates of cancellation or other appropriate instruments evidencing the foregoing actions pursuant to applicable non-bankruptcy law, including, but not limited to, Delaware Limited Liability Company Act section 18-803. On the Effective Date, all of the Debtors' directors and officers shall be deemed to have resigned without further action or notice, *provided, however*, that in the event the applicable Debtors are required to obtain governmental approval to transfer any Environmental Permit, including but not limited to the RCRA Permits, but have not received such governmental approval prior to the Effective Date, those Debtors shall not be dissolved, and one or more officers of those Debtors may remain active and not resign, until such time as the applicable governmental agencies have approved the transfer of the Environmental Permits, including the RCRA Permits associated with the Debtors' operations at facilities located in Quapaw, Oklahoma, Lenexa, Kansas and Joplin, Missouri. New HoldCo and the applicable NewCos that acquire the Debtors' operations that require an Environmental Permit that has not been transferred prior to the Effective Date will enter into transitional services agreements with the applicable Debtor permit holder (the "Transitional Services Agreements"). The applicable Debtor permit holder shall remain the responsible party under the applicable Environmental Permits pending transfer of such permits, and, under the Transitional Services Agreements, may utilize New HoldCo and the applicable NewCos to perform services subsequent to the Effective Date to assist Debtor in complying with its permit responsibilities pending transfer of the Environmental Permits that have not been transferred prior to the Effective Date. New HoldCo and the applicable NewCos shall indemnify and hold harmless the applicable Debtor permit holder for any obligations arising under the Transitional Services Agreements on or after the Effective Date. Each of the foregoing actions shall be binding on and enforceable against all Persons, Holders and Governmental Units.

5.14 Employee Pension and Benefit Plans. On and after the Effective Date, the pension and benefit plans of the Debtors shall be treated as described in this Section 5.14 of the Plan.

- (a) Except (i) as otherwise specified in Section 10.04 of the Plan, or (ii) for modifications implemented by Debtors in the ordinary course of their business, or to the extent required, modifications either negotiated or ordered by the Bankruptcy Court pursuant to section 1114 of the Bankruptcy Code, all employment and severance policies, and all compensation and benefit plans, policies, and programs of Debtors applicable generally to their respective employees or retirees including, without limitation, all savings plans, retirement plans, health care plans, disability plans, severance benefit plans, incentive plans, and life, accidental death, and dismemberment insurance plans, shall be assumed by the Debtors and assigned to New HoldCo and the NewCos pursuant to the Purchase Agreements and otherwise in accordance

⁴ To the extent not adverse to the interests of the Debtors, New HoldCo or the NewCos, neither EPH nor EPI shall be dissolved prior to the dissolution of its respective subsidiary Debtors.

with the provisions of sections 365 and 1123 of the Bankruptcy Code upon the entry of the Confirmation Order.

- (b) Upon the Effective Date, (i) New HoldCo shall become the plan administrator and plan sponsor of the Pension Plans currently maintained and sponsored by EaglePicher Incorporated. In addition, upon the Effective Date, the NewCos shall become participating employers in the Pension Plans. Thereafter, New HoldCo and the NewCos shall assume, and become responsible for, all accrued liabilities and obligations of the Debtors under the Pension Plans, and (ii) neither the Debtors nor their directors, officers, employees, agents, representatives, or professionals shall have any further responsibilities, liabilities, duties or obligations with respect to the Pension Plans, except that nothing herein shall release any claim or claims of the Pension Benefit Guaranty Corporation or any pension plan, currently or formerly sponsored by EPI against any person arising under 29 U.S.C. Sections 1104-1109 with respect to the pension plans, including any such claims of the Pension Benefit Guaranty Corporation asserted pursuant to 29 U.S.C. sections 1303(e) and 1342(d). New HoldCo shall have the responsibility and duty to: (i) file in the time and manner as may be required by any applicable law any forms and/or notices with any governmental entity regarding such assumption of responsibilities under the Pension Plans; and (ii) notify Pension Plan participants in the time and manner as may be required by any applicable law of such change in the sponsorship of the Pension Plans along with any other related information as may be required by law.

5.15 Estate Causes of Actions. As of the Effective Date, Debtors shall assign to the Plan Trust the right to prosecute, settle and release, on behalf of themselves and their Estates, any and all Estate Causes of Action, other than any such actions that were expressly included in the Transferred Assets. The Plan Trust, as the assignee of the Debtors, shall retain and may prosecute any and all Estate Causes of Action, including any such actions that may be pending on the Effective Date, and may, whether or not an Estate Cause of Action has been commenced prior to the Effective Date, assert the claim or cause of action underlying such Estate Cause of Action as a defense or counterclaim to any Claim or action, including, but not limited to, any rights under section 502(d) of the Bankruptcy Code. Unless Debtors consent, or unless otherwise ordered by the Bankruptcy Court, no other party, other than the Plan Trust, shall have the right or obligation to pursue any such actions.

5.16 Continuation of Stays. Unless otherwise provided in the Plan or the Confirmation Order, all injunctions or stays in effect pursuant to sections 105 or 362 of the Bankruptcy Code or otherwise and in effect on the Confirmation Date shall remain in full force and effect until the Effective Date.

5.17 Non-Debtors. The continued existence, operation and ownership of Non-Debtor Subsidiaries is a material component of the Debtors' businesses, and, as set forth in Section 5.02 of this Plan, subject to the terms of the Purchase Agreements, the Debtors' equity interests and other property interests in such Non-Debtor Subsidiaries shall constitute part of the Transferred Assets of

the applicable Debtor which shall be sold and conveyed to the applicable NewCos on the Effective Date.

ARTICLE 6 PLAN TRUST

6.01 Appointment of the Plan Trustee. The Debtors shall appoint the Plan Trustee who shall be retained as of the Effective Date. The name of the Plan Trustee will be disclosed on or before the Exhibit Filing Date.

6.02 Transfer by the Debtors of Property to the Plan Trust. In order to provide for the Distributions in Sections 4.02 of the Plan and otherwise in accordance with the Plan Trust Agreement, the Debtors shall transfer and assign to the Plan Trust for the benefit of the Plan Trust Beneficiaries, the Initial Plan Trust Assets on or before the Effective Date and, from time to time thereafter, Future Plan Trust Assets, including Plan Consideration to be distributed in accordance with the terms of the Plan on the Effective Date.

6.03 Assumption of Liabilities By Plan Trust; Novation.

- (a) In consideration for the transfer to the Plan Trust of the Initial Plan Trust Assets and the future transfer of other Plan Trust Assets, the Plan Trust shall assume and undertake the responsibility of the Debtors to make Distributions to the holders of Allowed Claims under the Plan after the Effective Date.
- (b) As more fully set forth in the Plan Trust Agreement, the Plan Trustee and its employees, advisors, agents, professionals, affiliates, parents and representative, and any employees, advisors, agents, professionals, affiliates, officers, directors, parents, subsidiaries and representatives thereof, shall have no personal liability for the obligations of the Plan Trust, nor shall they be deemed to have personally assumed any of the obligations of the Plan Trust, the Debtors, the Committee, New HoldCo or NewCos, as the case may be.
- (c) Any income or other taxes attributable to income or assets held in the Plan Trust (including interest earned by the Plan Trust), shall be paid as provided in Section 6.10 below. The Plan Trust and the Plan Trustee shall comply with all tax reporting and withholding requirements imposed under applicable tax laws.
- (d) The assumption by the Plan Trust of the obligations of the Debtors to make Distributions to holders of Allowed Claims after the Effective Date shall constitute a full and complete novation by the Plan Trust of all Allowed Claims. The Debtors shall be relieved from any and all liability in respect thereof.

6.04 Distributions by Plan Trust. The Distributions to be made pursuant to the Plan by the Plan Trustee shall be governed by the Plan Trust Agreement and the Plan. The Plan Trustee shall make all Distributions required under the Plan, other than Distributions to holders of Pre-Petition Note Claims which are governed by Section 6.05 of the Plan, to the holders of Allowed Claims on the Distribution Dates. Such Distributions shall be in accordance with the procedures and treatment set forth in the Plan Trust Agreement and the Plan.

6.05 Distributions by Pre-Petition Note Indenture Trustee.

(a) The Distributions to be made to holders of Allowed Pre-Petition Note Claims shall be made by the Pre-Petition Note Indenture Trustee on the Distribution Dates. The Plan Trustee shall deliver all distributions in respect of Allowed Pre-Petition Note Claims to the Pre-Petition Note Indenture Trustee. The distributions to be made under the Plan to holders of Allowed Pre-Petition Note Claims shall be made to the Pre-Petition Note Indenture Trustee, which, subject to the right of Pre-Petition Note Indenture Trustee to assert its Charging Lien against such distributions, shall transmit the distributions to the holders of such Allowed Pre-Petition Note Claims. The value of any Distributions received by Holders of Allowed Pre-Petition Note Claims in satisfaction of interest-bearing obligations shall be allocated first to the full satisfaction of principal of such interest-bearing obligations and second in satisfaction of any accrued and unpaid interest.

(b) The Pre-Petition Note Indenture Trustee shall have no obligation to recognize any transfer of any Pre-Petition Note Claims occurring after the Effective Date, and shall instead be authorized and entitled to recognize and deal for all purposes under the Plan with only those record holders stated on the Claims register as of the close of business on the day prior to the Effective Date. As of the close of business on the Initial Distribution Date, (i) the claims register shall be closed, (ii) the transfer books and records of the Pre-Petition Notes as maintained by the Pre-Petition Note Indenture Trustee or its agent shall be closed, and (iii) any transfer of any Pre-Petition Note Claim or any interest therein shall be prohibited. The Debtors, the Plan Trustee, and/or the Pre-Petition Note Indenture Trustee shall have no obligation to recognize any transfer of any Pre-Petition Note Claims occurring after the close of business on the day prior to the Effective Date, and shall instead be entitled to recognize and deal for all purposes under this Plan with only those holders of record as of the close of business on the day prior to the Effective Date. The Plan Trustee shall reimburse the Pre-Petition Note Indenture Trustee on terms agreed to between the Pre-Petition Note Indenture Trustee and the Plan Trustee, for all reasonable costs and expenses incurred in connection with complying with their obligations under this section.

6.06 Duties and Obligations of the Plan Trustee. The Plan Trustee shall be compensated at the rate to be disclosed at or prior to the Confirmation Hearing, plus reimbursement for his actual and necessary expenses reasonably incurred in connection with the performance of his duties, subject to Bankruptcy Court approval. The Plan Trustee shall not be liable for any action he takes or omits to take that he believes in good faith (including upon the advice of counsel) to be authorized or within his rights or powers unless it is ultimately and finally determined by the Bankruptcy Court that such action or inaction was the result of gross negligence or willful misconduct. Except as provided for in the Plan Trust Agreement, all Distributions to be made to holders of Allowed Claims after the Effective Date under the Plan,

shall be made by the Plan Trustee, who shall deposit and hold all Cash and other Property in the Plan Trust for the Trust Beneficiaries. Subject to the foregoing, the duties and powers of the Plan Trustee shall include, without limitation, the following:

- (a) To exercise all power and authority that may be exercised, commence all proceedings that may be commenced and take all actions that may be necessary in order to consummate the Plan and all transfers and Distributions thereunder on behalf of the Plan Trust;
- (b) To maintain all accounts, invest Cash of the Plan Trust, make interim and final distributions and take other actions consistent with the Plan and Plan Trust Agreement, including the maintenance of appropriate reserved, in the name of the Plan Trust;
- (c) To take all steps appropriate to evidence the dissolution and cessation of the corporate existence of the Debtors as described in Section 5.13 of the Plan, including, if any, such ministerial acts which may be necessary on behalf of the Debtors during the time period between the Effective Date and the Dissolution Date;
- (d) To prosecute, compromise or settle objections to Administrative, Priority Tax, Other Priority, miscellaneous Secured Claims and Unsecured Claims (disputed or otherwise). The Plan Trustee shall have full party-in-interest status to object to any Administrative, Priority Tax, Other Priority, Secured Claims, Unsecured Claims and be heard with respect to any objection to General Unsecured Claims;
- (e) To prosecute, compromise or settle all Estate Causes of Action;
- (f) To retain or engage Professionals or other Persons by the Plan Trust and to pay, without court order, all reasonable fees and expenses incurred after the Effective Date;
- (g) To sell or otherwise transfer for value the Initial Plan Trust Assets and the Future Plan Trust Assets;
- (h) To file with the Bankruptcy Court the reports and other documents required by the Plan or otherwise required to close the Chapter 11 Cases;
- (i) To prepare and file tax and informational returns for the Debtors and the Plan Trust;
- (j) To set off amounts owed to the Debtors or Plan Trust against any and all amounts otherwise due to be distributed to the holder of an Allowed Claim under the Plan;

- (k) To abandon any Property constituting the Initial Plan Trust Assets and the Future Plan Trust Assets, excluding real property, of the Debtors or Plan Trust that cannot be sold or otherwise disposed of for value and whose Distribution to holders of Allowed Claims would not be feasible or cost-effective in the reasonable judgment of the Plan Trustee;
- (l) To provide for storage and destruction of records of the Debtors and Plan Trust; and
- (m) To receive any Residual Interests in the Custodial Trust Accounts pursuant to Section 5.12(f) of the Plan, to distribute any such Residual Interests as provided in Sections 4.02 and 4.03 of the Plan and otherwise to engage in transactions with the Custodial Trustee to the extent provided in the Plan and Confirmation Order; and
- (n) To take all other actions not inconsistent with the provisions of the Plan and Plan Trust which the Plan Trustee deems reasonably necessary or desirable in connection with the administration of the Plan and Plan Trust.

6.07 Investments. All Cash held by the Plan Trustee in any amounts or otherwise shall be invested in accordance with section 345 of the Bankruptcy Code and consistently with the standards of Revenue Procedure 94-45, 1994-28 C.B. 124, or as otherwise permitted by the Confirmation Order or any other Final Order of the Bankruptcy Court.

6.08 Resignation or Removal. Upon application and for good cause, the Bankruptcy Court may remove the Plan Trustee from his role as Plan Trustee. If the Plan Trustee or any successor Plan Trustee resigns, is removed, or is otherwise unable to continue to serve as Plan Trustee of the trust, then the successor Plan Trustee shall be such bank or trust company as shall be appointed by the resigning or removed Plan Trustee or successor Plan Trustee. Notice of the appointment of a successor Plan Trustee shall be filed with the Bankruptcy Court. Thereupon the successor Plan Trustee, without any further act, shall become fully vested with all of the rights, powers, duties and obligations of his predecessor.

6.09 Funding Expenses of the Plan Trust. In accordance with the Plan Trust Agreement, on the Effective Date, New HoldCo shall transfer to the Debtors who shall simultaneously transfer to the Plan Trust, the sum of \$500,000 (which sum is in addition to the purchase price for the Transferred Assets) in Cash to defray the costs and expenses of the Plan Trust, Plan Trustee and professionals retained by the Plan Trustee. The costs and expenses of the Plan Trust, including without limitation, the fees and expenses payable to the Plan Trustee and any professionals retained by the Plan Trustee, shall be paid out of such Cash, Plan Trust Assets and Plan Consideration and the Plan Trustee shall set aside reserves from such Case Plan Trust Assets and Plan Consideration as are adequate and appropriate to pay the costs and expenses of the Plan Trust.

6.10 Federal Income Tax Treatment.

(a) Division of Trust.

The Plan Trust will be divided into two funds, the Known Payment Fund and the Disputed Ownership Fund. Assets received by the Plan Trust which can be allocated to specific Creditors in known amounts will be allocated to the Known Payment Fund. All other assets received by the Plan Trust will be allocated to the Disputed Ownership Fund.

(b) Known Payment Fund.

1. For federal income tax purposes, the transfer of the Initial Plan Trust Assets and Future Plan Trust Assets to the Known Payment Fund of the Plan Trust will be treated by the Debtors and Plan Trust Beneficiaries as a transfer by the Debtors of the Initial Plan Trust Assets and Future Plan Trust Assets to the Plan Trust Beneficiaries, followed by a transfer of such assets by the Plan Trust Beneficiaries to the Plan Trust. When future transfers are made from the Disputed Ownership Fund to the Known Payment Fund, the transfer will also be deemed to be made to the Plan Trust Beneficiaries followed by a contribution by the Plan Trust Beneficiaries to the Known Payment Fund.

2. For federal income tax purposes, the Plan Trust Beneficiaries of the Known Payment Fund will be treated as the grantors, deemed owners and beneficiaries of the Plan Trust.

3. Since the Known Payment Fund of the Plan Trust will be a “grantor trust” as defined in Section 671 of the Internal Revenue Code, each Plan Trust Beneficiary will be required each taxable year to pick up its pro rata share of all taxable income recognized by the Plan Trust (irrespective of whether distributions are made by the Plan Trust to the Plan Trust Beneficiaries).

(c) Disputed Ownership Fund.

1. For federal income tax purposes, the transfer of the Initial Plan Trust Assets and the Future Plan Trust Assets to the Disputed Ownership Fund will be treated as a direct transfer of assets by the Debtors of the Initial Plan Trust Assets and the Future Plan Trust Assets to the Disputed Ownership Fund.

2. The Disputed Ownership Fund shall have an initial tax basis in its assets equal to the fair market value of such assets.

3. For federal income tax purposes, the Trustee shall elect to treat the Disputed Ownership Fund as a C Corporation. Any taxes payable with respect to taxable income allocable to the Disputed Ownership Fund will be paid out of the assets in such Disputed Ownership Fund.

- (d) Value of Assets. The Plan Trustee and the Debtors, in consultation with the Creditors' Committee, will determine the fair market value of all Initial Plan Trust Assets on the Effective Date and all Future Plan Trust Assets on the date such assets are transferred to the Plan Trust, and such determined fair market value shall be used by the Debtors, the Plan Trust, the Plan Trustee and the Plan Trust Beneficiaries for all federal income tax purposes.

ARTICLE 7

PROVISIONS FOR TREATMENT OF DISPUTED CLAIMS AND DISPUTED EQUITY INTERESTS

7.01 Objections to and Estimation of Claims. Prior to the Effective Date, the Debtors (and after the Effective Date, the Plan Trustee) may object to the allowance of Claims and Equity Interests with respect to which they/he disputes liability in whole or in part. All objections shall be litigated to a Final Order; *provided, however*, that the Debtors or the Plan Trustee (as the case may be) may compromise and settle, withdraw or resolve by any other method approved by the Bankruptcy Court, any objections to Claims or Equity Interests. Objections to Claims asserted by the Debtors but not resolved by a Final Order prior to the Effective Date shall be assumed as to prosecution, compromise and settlement by the Plan Trustee. In addition, certain contingent, unliquidated and/or disputed Claims have been asserted by various individuals and/or entities against certain of the Debtors, including but not limited to Claims for personal injury or property damage, and related claims for reimbursement, contribution or indemnification. The Debtors and the Plan Trustee may, at any time, request that the Bankruptcy Court estimate any of the contingent Claims pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Debtors have previously objected to such Claim. Unless otherwise ordered by the Bankruptcy Court, the Debtors and Plan Trustee shall serve and file any objections to Claims and Equity Interests as soon as practicable, but in no event later than one-hundred and eighty (180) days after the Effective Date; *provided, however*, that the Plan Trustee may for cause seek from the Bankruptcy Court one or more extensions of such deadline.

7.02 Plan Reserves. On the Effective Date, after calculating Distributions to holders of Claims and Interests under the Plan, the Plan Trustee shall retain and set aside in the Reserve Fund an amount in cash sufficient to make all payments and Distributions which may be subsequently required on the Initial Cash Option Distribution Date and the Initial Distribution Date. Subsequent to the Effective Date, and at least ten (10) days prior to any future Distribution Dates other than the Initial Cash Option Distribution Date and the Initial Distribution Date, pursuant to the Purchase Agreements New HoldCo shall transfer to the Plan Trust that amount of Plan Consideration necessary in order to make the Distributions in respect of the Deferred Cash Payment required to be made on the next scheduled Distribution Date. The Purchase Agreements shall provide for

New HoldCo's obligation to fund the Deferred Cash Payment. Cash held by the Plan Trustee in the Reserve Fund shall be invested in accordance with the requirements contained in Section 7.05 of the Plan.

7.03 Subsequently Allowed Claims or Interests. Subsequent to the Initial Cash Option Distribution Date, if a Disputed Claim becomes an Allowed Claim, the Plan Trustee shall, on the next Distribution Date (or such earlier date as the Plan Trustee in his sole discretion may determine), distribute to the Holder of such Allowed Claim that amount of Plan Consideration, in the form of either a Deferred Cash Payment from the Reserve Fund or New HoldCo Common Stock, in an amount equal to that which such Holder would have been entitled if such Allowed Claim had been an Allowed Claim on the Initial Distribution Date.

7.04 Disallowed Claims. Subsequent to the Initial Distribution Date, if a Disputed Claim or portion of a portion Claim shall become disallowed by a Final Order, the Plan Trustee shall transfer from the Reserve Fund to the Plan Trust's general funds an amount of Cash equal to the amount which would have been required to be distributed pursuant to Section 7.03 of the Plan had such disallowed Claim or portion of a Claim been an Allowed Claim.

7.05 Investment of Reserve Fund. Amounts held in the Reserve Fund shall be invested by the Plan Trustee in accordance with section 345 of the Bankruptcy Code or as otherwise permitted by the Confirmation Order or any other Final Order of the Bankruptcy Court.

7.06 Interest Earnings. On the last day of each calendar month after a Distribution Date, the Plan Trustee shall transfer to the general funds of the Plan Trust all interest earned on the Reserve Fund since the last day of the preceding calendar month.

7.07 Payments and Distributions on Disputed Claims. No partial payments and no partial Distributions shall be made with respect to a Disputed Claim until the resolution of such disputes by settlement or Final Order. After a Disputed Claim becomes an Allowed Claim, the holder of such Allowed Claim shall receive all payments and Distributions to which such holder is then entitled under the Plan on the appropriate Distribution Date.

ARTICLE 8

RECORD HOLDERS OF CLAIMS; CLAIMS BASED ON INSTRUMENTS OR SECURITIES

8.01 Record Holders of Claims. Except as otherwise provided herein, the Debtors and the Plan Trustee shall be entitled to treat, as the sole holder of any Claim, the entity reflected in the claim records for the Debtors on the Distribution Record Date. If there is any dispute regarding the identity of the person entitled to receive notice, payment or Distribution in respect of a claim or interest under the Plan, no payment or Distribution need be made in respect of such claim or interest until the dispute is resolved by the Bankruptcy Court pursuant to a Final Order.

8.02 Surrender of Pre-Petition Notes. To the extent any holder of a claim arising under the Pre-Petition Notes has possession of a Pre-Petition Note, such holder shall surrender its

Pre-Petition Note(s) to the Pre-Petition Note Indenture Trustee. Unless the Debtors and the Pre-Petition Note Indenture Trustee agree otherwise, no distribution hereunder shall be made to or on behalf of any such holder unless and until such Pre-Petition Note is received by the Pre-Petition Note Indenture Trustee, or the loss, theft or destruction of such Pre-Petition Note Claim is established to the satisfaction of the Pre-Petition Note Indenture Trustee. In the event such Pre-Petition Note is held in the name of, or by a nominee of, the Depository Trust Company, the Debtors shall seek the cooperation of the Depository Trust Company in facilitating distributions. Notwithstanding any provision contained in this Plan to the contrary, the distribution provisions contained in the Pre-Petition Note Indenture shall continue in effect to the extent necessary to authorize the Pre-Petition Note Indenture Trustee to (i) receive and distribute to the holders of Allowed Pre-Petition Note Claims distributions pursuant to this Plan on account of Allowed Pre-Petition Note Claims and (ii) assert its charging lien in accordance with Section 2.03, and shall terminate completely upon completion of all such distributions.

8.03 Lost Instruments. Unless the Debtors agree otherwise, any holder of a Pre-Petition Note Claim that had had possession of a Pre-Petition Note that has been lost, stolen, mutilated or destroyed shall, in lieu of surrendering such Pre-Petition Note as provided in this Article 8, deliver evidence reasonably satisfactory to the Pre-Petition Note Indenture Trustee, of the loss, theft, mutilation or destruction of such Pre-Petition Notes. Upon compliance with this section by a holder of a Pre-Petition Note Claim, such holder shall, for all purposes under the Plan, be deemed to have surrendered its Pre-Petition Note.

8.04 Unsurrendered Instruments. Any holder of a Pre-Petition Note Claim who is required to surrender its Pre-Petition Note under Section 8.02 above and who has not surrendered, or been deemed to have surrendered, its Pre-Petition Notes within one (1) year after the Confirmation Date shall receive no Distributions on such Claim under the Plan and shall be forever barred from asserting any claim thereon against the Debtors or their estates. Thereupon, the Pre-Petition Note Indenture Trustee shall return to New HoldCo the portion of the New HoldCo Common Stock distributed to it pursuant to Article 4 of the Plan allocable to such non-surrendering holders of Pre-Petition Note Claims. Upon the return of such New HoldCo Common Stock by the Pre-Petition Note Indenture Trustee, the Pre-Petition Note Indenture Trustee and the Plan Trustee shall have no further responsibility regarding the Distributions otherwise required to be made by it pursuant to Article 4 of the Plan with respect to such holder.

ARTICLE 9

CONDITIONS TO CONFIRMATION AND EFFECTIVENESS OF THE PLAN

9.01 Conditions to Effectiveness. The effectiveness of the Plan shall be subject to, and conditioned upon, (i) the Confirmation Order becoming a Final Order; (ii) no request for revocation of the Confirmation Order under section 1144 of the Bankruptcy Code having been made or, if made, remaining pending; (iii) closing of the transactions contemplated by the Purchase Agreements and the transfer to the Debtors by New HoldCo of the Plan Consideration; (iv) closing and funding of the Exit Financing Facilities; (v) formation of New HoldCo and NewCos and the receipt by them of any and all regulatory approvals and all other material

approvals, permits, authorizations, consents, licenses, and agreements from other third parties necessary or appropriate to permit the transactions contemplated by the Plan and any related agreements and to permit New HoldCo and NewCos to carry on their business after the Effective Date; (v) execution and delivery of the Plan Trust Documents; (vi) formation of the EP Custodial Trust and Funding of the Custodial Trust Accounts; (vii) the Bankruptcy Court's determination of the amount of the Funding being acceptable to the Debtors, the Creditors' Committee and the Majority Noteholders; and (viii) all other actions and documents necessary to implement the Plan shall have been effected or executed.

9.02 Additional Conditions. In addition to the approvals required herein and unless otherwise provided for in the Plan, all agreements and related documents entered into in connection with the Plan and upon which the Plan is premised, including, without limitation, the Confirmation Order, shall be satisfactory to the Debtors, the Creditors' Committee and the Majority Noteholders.

9.03 Effect of Failure of Conditions. Notwithstanding entry of the Confirmation Order, if each of the conditions set forth in Section 9.01 of the Plan has not been satisfied or duly waived by the Debtors and the Creditors' Committee within 60 days after the Confirmation Date, then upon motion by the Debtors or any party in interest made before the time that each of the conditions has been satisfied or duly waived, the order confirming the Plan may be vacated by the Bankruptcy Court; *provided, however*, that notwithstanding the filing of such a motion, the Confirmation Order shall not be vacated if each of the conditions set forth in Section 9.01 of the Plan is either satisfied or duly waived by the Debtors and the Creditors' Committee before the Bankruptcy Court enters an order granting the relief requested in such motion. If the Confirmation Order is vacated pursuant to this Section 9.03 of the Plan, the Plan shall be void and of no effect.

9.04 Notice of Effective Date. The Debtors shall provide notice of the Effective Date of the Plan in accordance with the Bankruptcy Rules and orders of the Bankruptcy Court.

ARTICLE 10 EXECUTORY CONTRACTS

10.01 Assumption of Executory Contracts and Unexpired Leases. Any and all unexpired leases and executory contracts of the Debtors not expressly rejected by the Debtors pursuant to order of the Bankruptcy Court entered on or before the Confirmation Date, not identified on the Exhibit to the Plan Supplement pursuant to Section 10.04 of the Plan and to be filed with the Bankruptcy Court and served on affected parties by no later than ten (10) days prior to the Voting Deadline or as to which a motion for rejection is pending but undetermined as of such date and is subsequently approved by order of the Bankruptcy Court, shall be deemed to constitute part of the Transferred Assets and shall be deemed assumed by the Debtor party to such unexpired lease or executory contract and assigned to the applicable NewCo pursuant to the Purchase Agreements and the provisions of sections 365 and 1123 of the Bankruptcy Code upon the Effective Date.

10.02 Indemnification. Pursuant to Section 5.03 of the Plan, the indemnification obligations of the Debtors to their officers, directors and employees will be assumed and assigned to New HoldCo and NewCos.

10.03 Cure of Defaults on Assumed Contracts. The Debtors believe that, except as otherwise specifically set forth in the exhibit to be filed with the Plan Supplement, they are current in the performance of the executory contracts and unexpired leases to be assumed and assigned under the Plan. As such, the Debtors have determined that there are no amounts other than those set forth on the exhibit to be filed with the Plan Supplement to be paid as a condition to assumption and assignment of the executory contracts and unexpired leases under section 365(b) of the Bankruptcy Code.

- (a) Any objection to the assumption and assignment of any executory contract or unexpired lease and any proof of claim asserting that there are amounts or defaults that must be paid or cured as a condition to the assumption of any executory contract or unexpired lease must be filed with the Bankruptcy Court and delivered to the attorneys for the Debtors on or before the date and time set by the Bankruptcy Court as the last date and time on which to file and deliver objections to the confirmation of the Plan.
- (b) The holder of any such objections or cure claim shall be forever estopped from asserting such objection or claim if not so timely filed and delivered and the cure amount, if any, set forth on the exhibit to be filed with the Plan Supplement shall be binding on such holder and shall represent the only amount payable by the Debtors under section 365(b) of the Bankruptcy Code in connection with the assumption and assignment of such contract or lease. The Debtors reserve the right to reject any executory contract or unexpired lease with respect to which any such objection or claim is filed.
- (c) The Bankruptcy Court will resolve any such objection at the hearing on the confirmation of the Plan. Any such cure claim shall be treated as a disputed administrative expense under the Plan and shall be reviewed and, where appropriate, objected to by the Debtors and thereafter resolved in accordance with the Bankruptcy Code and the Bankruptcy Rules.
- (d) Any unpaid amounts or uncured defaults that must be paid or cured as a condition of assumption under section 365(b) of the Bankruptcy Code, will be paid by the Debtors, or the Plan Trustee on or after the Effective Date, provided the amount of such claim has been determined by a Final Order. A determination by the Bankruptcy Court of the amount of such a Claim will bar the assertion of any additional Claim that was or could have been asserted for defaults or unpaid amounts under such executory contract or unexpired lease.

10.04 Executory Contracts Expressly Rejected. Set forth on the exhibit to be filed with the Plan Supplement is a schedule of those executory contracts or unexpired leases that Debtors intend to reject and which shall be deemed to be rejected upon confirmation of the Plan.

10.05 Approval of Assumption or Rejection. Entry of the Confirmation Order shall constitute: (i) approval, pursuant to section 365(a) of the Bankruptcy Code, of the assumption by the applicable Debtor and assignment to the applicable NewCo of the executory contracts and unexpired leases assumed pursuant to Section 10.01 of the Plan; and (ii) approval pursuant to section 365(a) of the Bankruptcy Code, of the rejection of executory contracts and unexpired leases rejected in accordance with Section 10.04 of the Plan. Notwithstanding anything contained herein to the contrary, the Debtors hereby retain the right to add or delete any executory contract or unexpired lease that is designated for assumption or rejection at any time prior to the Confirmation Date, upon notice to parties affected by such change.

10.06 Bar Date. All proofs of claim with respect to claims arising from the rejection of any contract or unexpired lease, other than claims arising from rejection for which a bar date has already been set by prior order of the Bankruptcy Court, shall be filed with the Bankruptcy Court and served on counsel for the Debtors no later than thirty (30) days after the Confirmation Date. Any claim not filed within such date shall be forever barred from assertion against the Debtors and their respective estates.

ARTICLE 11 ORGANIZATION OF NEW HOLDCO

11.01 Articles of Incorporation and Code of Regulations. The Articles of Incorporation and Code of Regulations of New HoldCo shall be as set forth in the exhibit to be filed with the Plan Supplement.

11.02 Board of Directors. The initial Board of Directors of New HoldCo shall consist of the persons identified in materials filed with the Bankruptcy Court no later than the Exhibit Filing Date.

11.03 Corporate Actions. On the Effective Date, the operation of New HoldCo shall become the general responsibility of its Board of Directors, subject to, and in accordance with, its Articles of Incorporation and Code of Regulations.

ARTICLE 12 DISCHARGE OF ALL CLAIMS AND INTERESTS AND RELEASES

12.01 Discharge and Exculpation.

(a) Except as otherwise provided herein or in the Confirmation Order, all treatment provided under this Plan, regardless of whether any property shall have been distributed or retained pursuant to this Plan on account of Claims and Equity Interests upon the Effective Date, shall be in exchange for, and in complete satisfaction, settlement, discharge, and release of all Claims and Equity Interests to the fullest extent permitted by Bankruptcy Code section 1141, including but not limited to all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, whether or not (i) a Proof of Claim based upon such debt is filed or

deemed filed under section 501 of the Bankruptcy Code; (ii) a Claim based upon such debt is Allowed under section 502 of the Bankruptcy Code; or (iii) the holder of a Claim based upon such debt accepted the Plan; and all Equity Interests shall be terminated.

(b) Except as otherwise expressly provided in this Plan, all holders of Claims and Equity Interests are permanently enjoined, from and after the Effective Date, from (i) commencing or continuing in any manner any action or other proceeding of any kind on any Claim or Equity Interest discharged or released pursuant to Section 12.01(a) above against the Debtors, their Estates, New HoldCo, the NewCos, the Plan Trust, the Plan Trustee, the Custodial Trust, the Custodial Trustee, any of their respective assets or properties or any of their respective subsidiaries or successors; (ii) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order relating to any Claim or Equity Interest discharged or released pursuant to Section 12.01(a) above against the Debtors, their Estates, New HoldCo, the NewCos, the Plan Trust, the Plan Trustee, the Custodial Trust, the Custodial Trustee, their respective assets or properties or any of their respective subsidiaries or successors; (iii) creating, perfecting, or enforcing any encumbrance of any kind relating to any Claim or Equity Interest discharged or released pursuant to Section 12.01(a) above against the property or interests in property of the Debtors, their Estates, New HoldCo, the NewCos, the Plan Trust, the Plan Trustee, the Custodial Trust, the Custodial Trustee, any of their respective assets or properties or any of their respective subsidiaries or successors; and (iv) declaring a worthless stock deduction in respect of any Equity Interests for any taxable year ending prior to the Effective Date, transferring Equity Interests or taking any other action which would adversely effect the Debtors' NOLs or other tax attributes.

(c) Except as otherwise specifically provided by this Plan or the Confirmation Order, the confirmation of this Plan (subject to the occurrence of the Effective Date) shall act as a discharge and release of all Claims and causes of action (including without limitation, causes of action of a trustee and debtor in possession under the Bankruptcy Code) of the Debtors and their Estates, whether known or unknown, and excluding any Claims or causes of action arising out of gross negligence, bad faith, or willful misconduct, against: (i) their present and former directors, shareholders and affiliated Entities, officers and employees (other than for money borrowed from any of the Debtors by such shareholders, directors, officers or employees or any money owed to the Debtors by such shareholders, officers, representatives, directors or employees that is evidenced by a note, debenture or other instrument), agents, attorneys, advisors, accountants, financial advisors, investment bankers, advisers, affiliates, successors and assigns (ii) the Committee and its respective present and former members, affiliates, officers, directors, shareholders, attorneys, accountants, financial advisors, investment bankers, advisory affiliates, employees, agents, representatives, successors and assigns; (iii) the Senior Replacement DIP Agent, Junior Replacement DIP Agent, and Senior and Junior Replacement DIP Lenders and their respective present and former affiliates, officers, directors, partners, shareholders, attorneys, accountants, financial advisors, investment bankers, advisory affiliates, employees, agents, representatives, successors and assigns; (iv) the Pre-Petition Note Indenture Trustee and its respective present and former members, affiliates, officers, directors, shareholders, attorneys, accountants, financial advisors, investment bankers, advisory affiliates, employees, agents, representatives, successors and assigns, and (v) any Entity claimed to be liable derivatively through any of the foregoing.

(d) Exculpation. Upon the substantial consummation of the Plan, except as provided in the Plan or the Confirmation Order, all Entities shall be precluded and enjoined from asserting against or prosecuting, and shall be deemed to have released the Debtors, their Estates, Committee, New HoldCo, the NewCos, Plan Trust, Plan Trustee, Custodial Trusts, Custodial Trustee and their present and former directors, shareholders, officers, members, representatives and employees (other than for money borrowed from the Debtors by such shareholders, directors, officers, members, representatives or employees or any money owed to the Debtors by such shareholders, officers, directors, members, representatives or employees that is evidenced by a note, debenture or other instrument), agents, attorneys, advisors, accountants, financial advisors, lenders and investment bankers, and their property from (and to have waived and discharged) any Claim, debt, right, cause of action, liabilities or equity interest relating to any act or omission of or relating to the Debtors in connection with, related to, or arising out of, the Chapter 11 Cases, the pursuit of confirmation of the Plan, the consummation of the Plan or the administration of the Plan or the distribution of property under the Plan, except for willful misconduct or gross negligence, *provided, however*, that such exculpation as to current and former officers, directors, employees, advisors, agents, attorneys, accountants, financial advisors or investment bankers of the Debtors shall be expressly limited to Claims and causes of action based upon acts or omissions of such Persons or Entities in their capacity as officers, directors, employees, advisors, or Professionals of the Debtors and shall in no event be applicable to (i) money borrowed or obligations incurred by such officers, directors, employees, advisors or professionals of the Debtors; (ii) employment contracts; (iii) consulting contracts; (iv) the receipt of transfers from the Debtors, directly or indirectly, in connection with acquisitions of subsidiaries, business enterprises or other material assets; and (v) Claims or causes of action arising out of gross negligence, bad faith, or willful misconduct; and *provided further, however*, that nothing in this Section 12.01(d) shall be construed to modify or alter the liability of the Debtors or their Estates for any Allowed Administrative Claims or any Administrative Claims that have been asserted pending a final determination as to the allowance of such Administrative Claims.

12.02 Injunction Against Asserting Claims or Interests. On and after the Effective Date, all Persons are permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively or otherwise) on account of or respecting any claim, debt, right or cause of action of the Debtors for which the Debtors, Plan Trustee or Custodial Trustee, as the case may be, retain sole and exclusive authority to pursue in accordance with Sections 5.12 and 5.15 of the Plan. Nothing in the Plan or Confirmation Order shall release, discharge, enjoin, or preclude any liability to a governmental unit under police and regulatory laws to the extent that any entity would be subject to liability as an owner or operator of real property after the Effective Date.

12.03 Injunction Against Interference with Plan. Upon the entry of the Confirmation Order, all holders of Claims and Equity Interests and other parties in interest, along with their respective present or former employees, agents, officers, directors or principals, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan.

12.04 Other Liabilities. Nothing in the Plan (including, without limitation, Article 5), Purchase Agreements or Confirmation Order shall (a) release, discharge, enjoin, or preclude

(i) any Person who filed a written objection to confirmation of the Plan within the time period provided for in the Order Approving Disclosure Statement in Support of Debtors' Second Amended Joint Plan of Reorganization, [doc. no. 1625] or any Governmental Unit (as defined in the Bankruptcy Code) from asserting against any party any Claim arising after the Effective Date of the Plan; *provided, however*, that any such Person entitled to assert any such Claim shall not be precluded from asserting such Claim or be prejudiced solely by virtue of the preclusion of any other Person from asserting a Claim by any provisions of the Plan or Confirmation Order; or (ii) any liability or cause of action under police or regulatory laws that any Governmental Unit may have that is not within the definition of "claim" under 11 U.S.C. § 101(5); or (b) expand, limit, affect or restrict in any manner whatsoever any party with respect to defenses against, or rights with respect to, any Claims of the type set forth in Section 12.04(a) above.

ARTICLE 13 RETENTION OF JURISDICTION

13.01 Retention of Jurisdiction. The Bankruptcy Court shall retain exclusive jurisdiction of these proceedings for the following purposes, *inter alia*:

- (a) to determine any and all applications, adversary proceedings and contested matters pending as of the Effective Date and to determine all Estate Causes of Action;
- (b) to determine any and all objections to the allowance of Claims and Equity Interests;
- (c) to determine any and all applications for allowance of compensation and reimbursement of expenses;
- (d) to determine any and all controversies and disputes arising under or in connection with the Plan, the Plan Trust, the EP Custodial Trust and such other matters as may be provided for in the Confirmation Order;
- (e) to effectuate payments under and performance of the provisions of the Plan and Plan Trust;
- (f) to enter such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified or vacated;
- (g) to determine the Debtors' or Plan Trust's motion, if any, to modify the Plan in accordance with section 1127 of the Bankruptcy Code;
- (h) to issue such orders in aid of execution of the Plan, to the extent authorized by section 1142 of the Bankruptcy Code;

- (i) to consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;
- (j) to hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan and any related documents;
- (k) to hear and determine any issue for which the Plan or any related document requires a Final Order of the Bankruptcy Court;
- (l) to enter a final decree closing the Chapter 11 Case;
- (m) to hear and determine motions for the sale of all or any part of the Debtors', Plan Trust's or EP Custodial Trust's assets, free and clear of all liens, claims and encumbrances in accordance with sections 363 and 1123(a)(5) of the Bankruptcy Code; and
- (n) to determine any other matter not inconsistent with chapter 11 of the Bankruptcy Code.

ARTICLE 14 MISCELLANEOUS

14.01 Headings. The headings used in the Plan are inserted for convenience only and neither constitutes a portion of this Plan nor in any manner affect the construction of the provisions of this Plan.

14.02 Severability. Should any provision in the Plan be determined to be unenforceable following the Effective Date, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of the Plan.

14.03 Governing Law. Except to the extent that the Bankruptcy Code or other federal law is applicable, the rights, duties and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Ohio.

14.04 Successors and Assigns. The rights, duties and obligations of any Person named or referred to in the Plan shall be binding upon, and shall inure to the benefit of, the successors, heirs and assigns of such Person.

14.05 Pre-Petition Note Indenture Trustee as Claim Holder. Consistent with Bankruptcy Rule 3003(c), the Debtors shall recognize a Proof of Claim filed by the Pre-Petition Note Indenture Trustee in respect of the Pre-Petition Note Claims. Accordingly, any Claim, proof of which is filed by the registered or beneficial holder of a Claim, may be disallowed as duplicative of the Claim of the Pre-Petition Note Indenture Trustee, without any further action or Bankruptcy Court.

14.06 Revocation of the Plan. The Debtors reserve the right to revoke and withdraw the Plan at any time prior to the Confirmation Date. If the Debtors revoke or withdraw the Plan, then the Plan shall be deemed null and void and nothing contained herein shall be deemed to constitute a waiver or release of any claims by or against the Debtors, the Creditors' Committee or any other person or to prejudice in any manner the rights of the Debtors, the Creditors' Committee or any person in any further proceedings involving the Debtor or the Creditors' Committee.

14.07 Effectuating Documents; Further Transactions; Timing. Each of the officers of the Debtors shall be deemed to be authorized under resolutions of the respective Debtors' boards of directors to execute, deliver, file or record such contracts, instruments, releases and other agreements or documents, and to take such action(s) as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and any securities issued pursuant to the Plan. All transactions that are required to occur on the Effective Date under the terms of the Plan shall be deemed to have occurred simultaneously.

14.08 Exemption from Transfer Taxes. Pursuant to section 1146(c) of the Bankruptcy Code, none of (i) the issuance transfer or exchange of any security under, in furtherance of, or in connection with, this Plan, (ii) the assignment or surrender of any lease or sublease, or the delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with, this Plan, including any deeds, bills of sale or assignments executed in connection with any disposition of assets contemplated by this Plan (including real and personal property), (iii) the disposition and/or encumbrance of assets in connection with any transactions contemplated hereunder (including any subsequent sale of property under Sections 5.12 and 6.06 or other provisions of the Plan, including, without limitation, any sale by the Plan Trust or EP Custodial Trust), or (iv) any transfer of the Transferred Assets to New HoldCo or any NewCo, shall be subject to any stamp, real estate transfer, mortgage recording sales, use or other similar tax.

14.09 Compliance with Laws. Nothing in this Plan nullifies any liability to a governmental unit under applicable police or regulatory statutes or regulations that any entity would have as the owner or operator of property after the Effective Date.

14.10 Binding Effect. The Plan shall be binding upon, and shall inure to the benefit of the Debtors, the holders of all Claims and Equity Interests and their respective successors and assigns.

14.11 Modification of Payment Terms. The Debtors and the Plan Trust reserve the right to modify the treatment of any Allowed Claim in any manner adverse only to the holder of such Claim at any time after the Effective Date upon the prior written consent of the holder whose Allowed Claim treatment is being adversely affected.

14.12 Notices. Any notice required or permitted to be provided under the Plan shall be in writing and served by: (a) certified mail, return receipt requested, postage prepaid; (b) hand delivery; or (c) reputable overnight carrier service, freight prepaid, to be addressed as follows:

If to the Debtors, to:

Stephen D. Lerner
Squire, Sanders & Dempsey L.L.P.
312 Walnut Street
Suite 3500
Cincinnati, OH 45202-4036
Fax: (513) 361-1201

Attorneys for the Debtors

With copies to:

Thomas R. Kreller
Milbank, Tweed, Hadley & McCloy LLP
601 South Figueroa Street, 30th Floor
Los Angeles, CA 90017-5735
Fax: (213) 629-5063

Attorneys for the Official Committee of Unsecured Creditors

14.13 Dissolution of Creditors' Committees. Except as otherwise provided in any order of the Bankruptcy Court, on the Effective Date, the Creditors' Committee shall be dissolved and the members of any such committees shall thereupon be released and discharged of and from all further authority, duties, responsibilities and obligations related to and arising from and in connection with the Chapter 11 Cases, except for the preparation and filing of applications for payment of professionals.

14.14 Post-Confirmation Fees And Reports. Unless otherwise ordered by the Bankruptcy Court, the Debtors shall be responsible for the timely payment of all fees incurred pursuant to section 1930 of title 28 to the United States Code. Unless otherwise ordered by the Bankruptcy Court, the Plan Trustee also shall file with the court, and serve on the U.S. Trustee, a quarterly financial report for each quarter (or portion thereof) that the Chapter 11 Cases remain open, in a format prescribed by the U.S. Trustee in accordance with the guidelines of the Office of the U.S. Trustee.

Date: Cincinnati, Ohio
May 31, 2006

EAGLEPICHER HOLDINGS, INC.

By: /s/ Bert Iedema
Name: Bert Iedema
Title: Chief Executive Officer and President

EAGLEPICHER INCORPORATED

By: /s/ Stuart B. Gleichenhau
Name: Stuart B. Gleichenhau
Title: Chairman, President and Chief Executive Officer

EAGLEPICHER AUTOMOTIVE, INC.

By: /s/ Stuart B. Gleichenhau
Name: Stuart B. Gleichenhau
Title: Vice President

CARPENTER ENTERPRISES LIMITED

By: /s/ Stuart B. Gleichenhau

Name: Stuart B. Gleichenhau

Title: Vice President

DAISY PARTS, INC.

By: /s/ Stuart B. Gleichenhau

Name: Stuart B. Gleichenhau

Title: Vice President

**EAGLEPICHER FILTRATION & MINERALS,
INC.**

By: /s/ Stuart B. Gleichenhau

Name: Stuart B. Gleichenhau

Title: Vice President

**EAGLEPICHER PHARMACEUTICAL
SERVICES, LLC**

By: /s/ Steven E. Westfall

Name: Steven E. Westfall

Title: President

EAGLEPICHER TECHNOLOGIES, LLC

By: /s/ Steven E. Westfall

Name: Steven E. Westfall

Title: President

SUMMARY OF EXHIBITS

Exhibit	Document	Plan Reference(s)
A	Definitions	1.01
B	Asset Transfers	5.02
C	Designated Property and Transitional Property	5.12
D	NewCos	Definitions

To the extent that any of the forgoing Exhibits are not filed with the Plan, such Exhibits shall be filed with the Plan Supplement.

EXHIBIT A

DEFINITIONS

“Administrative Claim(s)” shall mean claims constituting a cost or expense of administration in the Chapter 11 Cases under section 503 of the Bankruptcy Code and entitled to priority under section 507(a)(1) of the Bankruptcy Code, including, without express or implied limitation, any actual and necessary costs and expenses of preserving the estates of the Debtors, any actual and necessary costs and expenses of operating the businesses of the Debtors, any indebtedness or obligations incurred or assumed by any of the Debtors in Possession in connection with the conduct of its or their business or for the acquisition or lease of property or the rendition of services, any allowed compensation or reimbursement of expenses under section 503(b)(2)-(5) of the Bankruptcy Code and any fees or charges assessed against the estate of any of the Debtors under section 1930, chapter 123, title 28, United States Code.

“Allowed” shall mean, with respect to: (a) any Claim or Equity Interest, (i) a Claim or Equity Interest, proof of which was filed on or before the Bar Date, or (ii) a Claim or Equity Interest that has been or hereafter is scheduled by the Debtors as liquidated in amount and not disputed or contingent and, in the case of either (i) or (ii) above, a Claim or Equity Interest as to which no objection to the allowance thereof has been filed within the applicable period of limitation fixed by the Bankruptcy Code, Bankruptcy Rules or an order of the Bankruptcy Court, or as to which any objection has been determined by a Final Order of the Bankruptcy Court allowing such Claim or Equity Interest in whole or in part; (b) any Claim arising from the recovery of property under sections 550 or 553 of the Bankruptcy Code and allowed in accordance with section 502(h) of the Bankruptcy Code; (c) any Claim allowed under or pursuant to the terms of the Plan; or (d) any Claim to the extent that it has been allowed by a Final Order; provided, however, that Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered “Allowed Claims” hereunder. Unless otherwise specified herein or by order of the Bankruptcy Court, “Allowed Claims” shall not, for any purpose under the Plan, include interest, penalties or late charges on such Claims from and after the Filing Date. In addition, “Allowed Claim” shall not include any Claim subject to disallowance in accordance with section 502(d) of the Bankruptcy Code.

“Assumed Liabilities” shall mean the “Assumed Liabilities” as defined in the Purchase Agreement.

“Ballot” shall mean the form or forms distributed to holders of Impaired Claims on which is to be indicated the acceptance or rejection of the Plan and, for those Claim Holders in Classes 3C through 3F, the selected treatment under the Plan.

“Bankruptcy Code” shall mean the Bankruptcy Reform Act of 1978, as amended, Title 11, United States Code, as in effect during and applicable to the Chapter 11 Cases.

"Bankruptcy Court" shall mean the court in the Southern District of Ohio, Western Division, conferred with authority over the Bankruptcy Cases or the court so authorized with respect to any proceedings in connection therewith for the purpose of such proceedings.

"Bankruptcy Rules" shall mean the Bankruptcy Rules as in effect on the Filing Date, together with local rules adopted by the Bankruptcy Court, or such similar rules as may be in effect from time to time in the Chapter 11 Cases.

"Bar Date" shall mean September 30, 2005, the last date established by order of the Bankruptcy Court for the filing of proofs of Claim or Interests.

"Board of Directors" shall mean the initial Board of Directors of New HoldCo as described in the Disclosure Statement or otherwise identified in materials filed with the Bankruptcy Court not less than ten (10) days prior to the Confirmation Date.

"Business Day" shall mean a day other than a Saturday, a Sunday, any day designated as a legal holiday in Bankruptcy Rule 9006(a) or any other day on which commercial banks in Cincinnati, Ohio are required or authorized to close by law or executive order.

"Carpenter" shall mean Debtor Carpenter Enterprises Limited.

"Cash" shall mean legal tender of the United States of America.

"Chapter 11 Cases" shall mean the jointly administered chapter 11 bankruptcy cases filed by the Debtors in the United States Bankruptcy Court for the Southern District of Ohio, Western Division, *EaglePicher Holdings, Inc., et al.*, Case No. 05-12601.

"Charging Lien" shall mean any Lien or other priority in payment arising prior to the Effective Date to which the Pre-Petition Note Indenture Trustee is entitled, pursuant to the Pre-Petition Note Indenture, against distributions to be made to holders of Pre-Petition Note Claims for payment of any Indenture Trustee Fees.

"Claim" shall mean any claim against the Debtors as defined in section 101(5) of the Bankruptcy Code, whether or not asserted or Allowed.

"Claim Holder" or **"Claimant"** shall mean the holder of a Claim.

"Class" shall mean any class of holders of Claims or Equity Interests as specified in Article 3 of the Plan.

"Collateral" shall mean any property or interest in the property of the Estates subject to a lien to secure the payment or performance of a Claim.

"Confirmation Date" shall mean the date on which the Confirmation Order is entered by the Bankruptcy Court.

"Confirmation Hearing" shall mean the hearing held, pursuant to section 1128(a) of the Bankruptcy Code, after notice has been provided to all known holders of Claims and Equity Interests, at which the Bankruptcy Court will determine whether to confirm the Plan.

"Confirmation Order" shall mean the order entered by the Bankruptcy Court confirming the Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code.

"Creditors' Committee" shall mean the statutory committee of unsecured creditors appointed pursuant to section 1103 of the Bankruptcy Code, as reconstituted from time to time, and its current and former members.

"Custodial Trust Accounts" shall mean the trust accounts established pursuant to the Custodial Trust Agreement into which that portion of the Funding that consists of cash will be made.

"Custodial Trust Agreement" shall mean the agreement to be entered into governing the operation of the EP Custodial Trust, as well as any other ancillary agreements or related documents, to be entered into pursuant to Section 5.12 of the Plan.

"Custodial Trustee" shall mean the individual or entity appointed as Custodial Trustee under the Custodial Trust Agreement and any successor thereto chosen in accordance with the Custodial Trust Agreement.

"Daisy Parts" shall mean Debtor Daisy Parts, Inc.

"Debtors" shall mean, collectively, EaglePicher Holdings, Inc., EaglePicher Incorporated, EaglePicher Technologies LLC, EaglePicher Filtration & Minerals, LLC, EaglePicher Pharmaceutical Services, LLC, EaglePicher Automotive, Inc., Daisy Parts, Inc. and Carpenter Enterprises Limited, debtors in the Bankruptcy Cases. "Debtors" shall not include Eagle-Picher Far East, Inc. whose chapter 11 case was dismissed by order entered by the Bankruptcy Court on October 5, 2005.

"Debtors-in-Possession" shall mean the Debtors, each in its respective capacity as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

"Deferred Cash Payments" shall mean the payments to be made pursuant to the Plan on account of Allowed Claims held by Other Unsecured Creditors in Classes 3C through 3F who elect to receive their Pro Rata Share of the Net Distributable Value of the applicable Debtor in the form of six equal installment cash payments, the first installment payment coming due on the Initial Distribution Date, and the remaining five installments coming due on the Subsequent Distribution Dates until paid in full, with each installment also including a payment of simple interest, calculated as 11.5% of the Claimant's Unsecured Claim Distribution Amount outstanding during the 6 months prior to the payment of such installment.

"Designated Property" shall mean the real property identified on Exhibit D to the Disclosure Statement under the heading Designated Property.

"Disclosure Statement" shall mean the Disclosure Statement to accompany the Plan, as amended, supplemented or modified from time to time.

"Disputed Claim" shall mean any Claim: (a) listed on the Schedules as, or proof of which is filed as, unliquidated, disputed or contingent; (b) as to which a proof of Claim designating such Claim as liquidated in amount and not contingent was not timely and properly filed; (c) as to which a Debtor, the Plan Trustee or any other party in interest has interposed a timely objection or request for estimation in accordance with the Bankruptcy Code and the Bankruptcy Rules; or (d) is otherwise disputed by a Debtor, the Plan Trustee or any other party in interest in accordance with applicable law, which objection, request for estimation or dispute has not been withdrawn or determined by a Final Order.

"Distribution" shall mean any Distribution made by the Plan Trustee on or after the Effective Date in accordance with the Plan.

"Distribution Date" shall be defined to include any and all of the following: Initial Distribution Date; Initial Cash Option Distribution Date; Subsequent Distribution Date; and Subsequent Cash Option Distribution Date.

"Distribution Record Date" shall mean April 1, 2006.

"EaglePicher Automotive" shall mean Debtor EaglePicher Automotive, Inc.

"Effective Date" shall mean the first Business Day after the latter of (a) the tenth day after entry the Confirmation Order and (b) the date on which the conditions in Section 9.01 of the Plan have been satisfied or waived in accordance with that Section.

"Environmental Actions" shall mean investigation, remediation, response, closure and post-closure actions to the extent required by applicable law, including bankruptcy law and Environmental Law and those actions agreed to be performed under the Settlement Agreements.

"Environmental Costs" shall mean the costs and expenses of implementing Environmental Actions.

"Environmental Law" means any federal, state or local law, statute, ordinance, rule, regulation or code, any license, permit, authorization or court order, judgment, decree or injunction, including all common law, related to pollution, protection of health, safety or the environment, or the use, storage, recycling, treatment, generation, transportation, processing, handling, labeling, production, Release or disposal of pollutants or toxic or Hazardous Substances, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. Section 9601, *et. seq.*; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901, *et. seq.* the Clean Air Act, as amended, 42 U.S.C. Section 7401, *et. seq.*; the Federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251, *et. seq.*; the Toxic Substances Control Act, as amended, 125 U.S.C. Section 1251, *et. seq.*; the Emergency Planning and Community Right to Know Act, 42 U.S.C. Section 1101, *et. seq.*, the

Safe Drinking Water Act, 42 U.S.C. Section 300f, *et. seq.*; the Oil Pollution Act of 1990, 33 U.S.C. Section 2701 *et. seq.*, and the Occupational Safety and Health Act, 29 U.S.C. 651, *et. seq.*

“Environmental Permits” shall mean all permits, licenses, authorizations or waivers that have been issued to Debtors under federal, state and local environmental laws, including the permits issued under RCRA related to operations at the Debtors' facilities in Quapaw, Oklahoma; Joplin, Missouri; Lenexa, Kansas; and Colorado Springs, Colorado.

“EP Custodial Trust” shall mean the custodial trust to be established pursuant to Section 5.12(a) of the Plan, including the Custodial Trust Accounts created under the Custodial Trust Agreement.

“EP I Settlement Agreement” shall mean the settlement agreement by and among the EP I Debtors, the USEPA, the United States Department of the Interior, and the States of Arizona, Michigan, and Oklahoma, which was approved by the Bankruptcy Court in the EP I Case on June 6, 1996.

“EPFM” shall mean Debtor EaglePicher Filtration & Minerals, LLC.

“EPI” shall mean Debtor EaglePicher Incorporated.

“EPPHS” shall mean Debtor EaglePicher Pharmaceutical Services, LLC.

“EPT” shall mean Debtor EaglePicher Technologies LLC.

“Equity Interest” shall mean any rights of holders of issued and outstanding shares of common stock or other equity securities (as defined in section 101(16) of the Bankruptcy Code) of the Debtors in respect thereof, together with (a) any rights of holders of options, warrants or other rights to acquire such shares of common stock or equity securities of Holdings and EPI as of the Filing Date, (b) any claim arising from rescission of a purchase or sale of any such security, or for damages arising from the purchase or sale of any such security, or for reimbursement or contribution on account of any such claim and (c) any intercompany claims which are not valid debt obligations.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor thereto.

“Estate” shall mean the estate of each Debtor created by section 541 of the Bankruptcy Code upon the commencement of the Chapter 11 Cases, and **“Estates”** shall mean, collectively, the estates of all of the Debtors created by section 541 of the Bankruptcy Code in the Chapter 11 Cases.

“Estate Cause of Action Recoveries” shall mean the proceeds of all recoveries received (through settlement, litigation or otherwise) as a result of any Estate Cause of Action, after deduction for all fees, costs and expenses of litigation, prosecution, settlement, resolution and administration incurred in connection with or related to Estate Causes of Action, including, without limitation,

reasonable attorneys' fees, expert witness fees and fees of other professionals retained in connection therewith.

"Estate Causes of Action" shall mean (a) any avoidance or recovery action that belong to or could have been raised by the Debtors or the Debtors-in-Possession or their respective Estates under sections 502(d), 542, 544, 545, 547, 548, 549, 550, 551 or 553 of the Bankruptcy Code; and (b) any and all other claims, rights of action, causes of action, defenses, and counterclaims accruing to the Debtors or that is property of their Estates, except to the extent included in the Transferred Assets. Potential defendants in Estate Causes of Action include, but are not limited to, the various persons and entities set forth on Exhibit S-3a to each Debtors' Statement of Financial Affairs and the insiders of the Debtors set forth on Exhibit S-23 to each Debtors' Statement of Financial Affairs.

"Estimated Pre-Petition Note Claims and Other Unsecured Claims" shall mean the total Estimated Pre-Petition Note Claims and Other Unsecured Claims for each Class as set forth in Exhibit B to the Disclosure Statement.

"Estimated Unsecured Claim Distribution Amount" shall mean, as to a holder of an Allowed Other Unsecured Claim, such holder's estimated Pro Rata Share of that portion of the Net Distributable Value available for distribution by the respective Debtor, calculated by multiplying (a) the ratio of that holder's Allowed Claim to the sum of all Estimated Pre-Petition Note Claims and Other Unsecured Claims within such holder's Class, times (b) the Net Distributable Value for that Debtor.

"Excess Cash" shall mean the amount of Cash, if any, determined on each Distribution Date, held by the Plan Trust in the Reserve Fund or other funds, that is in excess of the maximum amount of potential future Distributions required to be made by the Plan Trustee from Plan Consideration to holders of Allowed Claims other than Allowed Pre-Petition Note Claims. Excess Cash shall not include Cash generated from or representing any Estate Cause of Action Recoveries, any Residual Interest or any source other than Plan Consideration.

"Exhibit Filing Date" shall mean the date that is the last Business Day that is at least five (5) Business Days prior to the Confirmation Hearing.

"Exit Financing Agreements" shall mean all supplements, agreements, notes, documents, instruments and guarantees at any time executed and/or delivered in connection with or related to the Exit Financing Facilities, as all of the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

"Exit Financing Facilities" shall mean the Senior Exit Financing Facility and the Junior Exit Financing Facility.

"Federal Judgment Rate" shall mean, at any date, the rate of interest established pursuant to 28 USCA Section 1961.

“Filing Date” shall mean April 11, 2005, the date of the filing by the Debtors of their voluntary petitions commencing the Chapter 11 Cases.

“Final Order” shall mean an order as to which (a) any appeal that has been taken has been finally determined or dismissed, or (b) the time for filing a notice of appeal or petition for certiorari has expired and no notice of appeal or petition for certiorari has been timely filed.

“Funding” shall mean, with respect to the EP Custodial Trust, those amounts necessary to fund the Environmental Costs with respect to the Designated Property or Transitional Property, as the case may be, and to administer such Custodial Trust as more specifically set forth in the Custodial Trust Agreement.

“Future Plan Trust Assets” shall mean any and all assets of the Debtors transferred to the Plan Trust subsequent to the Effective Date.

“Hazardous Substances” shall mean all materials, substances or wastes defined, designated, regulated or classified as hazardous, toxic or radioactive, under any Environmental Laws, whether by type or by quantity, and petroleum or any derivative or by-product thereof.

“Hillsdale Debtor(s)” shall mean collectively the Debtors EaglePicher Automotive, Inc., Daisy Parts Inc. and Carpenter Enterprises Limited (each, a “Hillsdale Debtor,” and collectively, the “Hillsdale Debtors”).

“Holder(s)” shall mean an entity holding an Equity Interest or Claim.

“Holdings” shall mean EaglePicher Holdings, Inc.

“Impaired” shall mean, with respect to any Class, the treatment of Claims or Equity Interests in that Class in any manner other than one of the treatments described in section 1124 of the Bankruptcy Code.

“Indenture Trustee Fees” shall mean the reasonable compensation, fees, expenses, disbursements and indemnity claims, including, without limitation, attorneys’ and agents’ fees, expenses and disbursements, incurred by the Pre-Petition Note Indenture Trustee, whether prior to or after the Petition Date and whether prior to or after the consummation of the Plan.

“Initial Cash Option Distribution Date” shall mean the first Business Day that is sixty (60) days after the Effective Date.

“Initial Distribution Date” shall mean the first Business Day that is six (6) months after the Effective Date.

“Initial Plan Trust Assets” shall mean those assets of the Debtors transferred on or about the Effective Date to the Plan Trust pursuant to the Plan Trust Agreement.

"Intercompany Claims" shall mean all valid debt obligations of one Debtor against any other Debtor.

"Interest(s)" shall mean any equity security in the Debtor(s) issued and outstanding prior to the Effective Date.

"Junior Exit Financing Facility" shall mean a Post-Effective Date working capital term loan facility extended to New HoldCo and NewCos, which shall be converted from the Junior Replacement DIP Facility, as the same may be amended, modified, or supplemented from time to time; and any and all additional documents related thereto filed in accordance with Article 5.05 of this Plan.

"Junior Exit Financing Facility Obligations" shall mean all Post-Effective Date obligations owing by New HoldCo and NewCos to the administrative agent and lenders arising under or pursuant to the Junior Exit Financing Facility, including, without limitation, principal and interest on the Junior Exit Financing Facility, plus all reasonable fees and expenses (including professional fees and expenses) arising under the Junior Exit Financing Facility.

"Junior Replacement DIP Agent" shall mean Obsidian, LLC, the administrative agent for the Junior Replacement DIP Lenders as defined in the Junior Replacement DIP Credit Agreement.

"Junior Replacement DIP Credit Agreement" shall mean that certain Third Lien Super-Priority Debtor in Possession and Exit Credit and Guaranty Agreement, dated as of December 30, 2005, as amended, supplemented or otherwise modified from time to time, and all documents executed in connection with therewith, by and among the Debtors, the Junior Replacement DIP Agent, and the Junior Replacement DIP Lenders, which was executed by the Debtors in connection with the Junior Replacement DIP Facility.

"Junior Replacement DIP Facility" shall mean the junior secured debtor-in-possession financing facility in the original principal amount of \$50,000,000.00 provided to the Debtors by the Junior Replacement DIP Lenders pursuant to the Junior Replacement DIP Credit Agreement as authorized by the Bankruptcy Court pursuant to the Replacement DIP Order.

"Junior Replacement DIP Facility Obligations" shall mean the Administrative Claims of the Junior Replacement DIP Agent and the Junior Replacement DIP Lenders arising under or pursuant to the Junior Replacement DIP Facility, including, without limitation, principal and interest on the Junior Replacement DIP Facility, plus all reasonable fees and expenses (including professional fees and expenses) arising under the Junior Replacement DIP Facility.

"Junior Replacement DIP Lenders" shall mean Obsidian, LLC, as Administrative Agent and lender, Silver Oak Capital LLC, as lender, together with such other lenders from time to time party to the Junior Replacement DIP Credit Agreement.

"Lien" shall mean a charge against or interest in property of the Debtors including a right of set off to secure payment of a debt or performance of an obligation.

"Majority Noteholders" shall mean the holders of the majority in principal amount of the Pre-Petition Notes.

"Management Incentive Plan" shall mean a Post-Effective Date management incentive compensation plan designed to provide certain designated members of management of New HoldCo and the NewCos with the opportunity to acquire up to 10% of the New HoldCo Common Stock, or such other cash or non-cash compensation or incentives, in all cases in amounts and on terms as determined by the Board of Directors.

"Net Distributable Value" shall mean, with respect to any particular Debtor, the amount of value (as set forth in Exhibit B to the Disclosure Statement) available to be distributed on account of Pre-Petition Note Claims and Other Unsecured Claims of that Debtor after satisfaction by that Debtor of all Allowed Secured Claims, Allowed Administrative Claims and Allowed Priority Claims against such Debtor, as well as any other amounts payable by such Debtor pursuant to the Plan prior to the making of any Distributions on account of Pre-Petition Note Claims and Other Unsecured Claims of that Debtor.

"NewCo" shall mean individually, and "NewCos" shall mean collectively, the direct and indirect subsidiaries of New HoldCo to be formed in conjunction with the Plan and identified on Exhibit D to the Plan.

"New HoldCo" shall mean the holding company formed in conjunction with the Plan, the common stock of which will constitute a portion of the Plan Consideration that will be paid to the Debtors pursuant to the Purchase Agreements and which, pursuant to the Plan, will in turn be distributed to creditors of the Debtors.

"New HoldCo Articles of Incorporation" shall mean the articles of incorporation of New HoldCo.

"New HoldCo Code of Regulations" shall mean the code of regulations of New HoldCo, as amended by or in furtherance of this Plan.

"New HoldCo Common Stock" shall mean the common stock of New HoldCo distributed under the Plan and subject to the New HoldCo formation documents, including the shares issued pursuant to Section 5.04 of the Plan.

"New Management Co." shall mean the wholly-owned subsidiary of New HoldCo to be formed in connection with the Plan and to which New HoldCo shall contribute New HoldCo Common Stock in exchange for 100% of the common stock of New Management Co.

"Non-Debtor Subsidiaries" shall mean the non-debtor affiliates and subsidiaries of the Debtors. These affiliates and subsidiaries include, but are not limited to, the following: Eagle-Picher Far East, Inc.; Eagle-Picher Industries Europe, B.V.; Eagle-Picher Wolverine GmbH Ohringen; EaglePicher Kokam Ltd.; Eagle-Picher Hillsdale, Ltd.; Eagle-Picher UK, Ltd.; EPTEC, S.A. de C.V.; Diehl & Eagle-Picher GmbH; Eagle Picher Energy Products Corporation; Eagle-Picher Minerals International, S.A.R.L.; Eagle-Picher Minerals Europe Verwaltungsund Beteiligungs

GmbH; Eagle-Picher Minerals Europe GmbH&Co. KG; EaglePicher Investments, LLC; EaglePicher Horizon Batteries; and S3I, LLC.

“Other Interests” shall mean, without limitation, claims (including, but not limited to, any “claim” as defined in section 101(5) of the Bankruptcy Code), reclamation claims, mortgages, deeds of trust, pledges, covenants, restrictions, hypothecations, charges, indentures, loan agreements, instruments, contracts, leases, licenses, options, rights of first refusal, contracts, offsets, recoupment, rights of recovery, judgments, orders and decrees of any Court or foreign or domestic governmental entity, claims for reimbursement, contribution, indemnity or exoneration, assignment, preferences, debts, charges, suits, licenses, options, rights of recovery, interests, products liability, alter-ego, environmental, successor liability, taxes or similar charges and other liabilities, causes of action and claims, or other encumbrances or restrictions on or conditions to transfer or assignment of any kind (including without limitation to the generality of the foregoing restrictions or conditions on or to the transfer, assignment, or renewal of licenses, permits, registrations, and authorizations or approvals of or with respect to governmental units and instrumentalities), in each case whether secured or unsecured, choate or inchoate, filed or unfilled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, perfected or unperfected, allowed or disallowed, contingent or non-contingent, liquidated or unliquidated, matured or unmatured, material or non-material, disputed or undisputed, or known or unknown, whether arising prior to, on, or subsequent to the Petition Date, whether imposed by agreement, understanding, law, equity or otherwise.

“Other Priority Claim” shall mean any Claim against the Debtors other than an Administrative Claim or Priority Tax Claim that is entitled to priority in payment under section 507(a) of the Bankruptcy Code.

“Other Unsecured Claims” shall mean any and all Unsecured Claims against any of the Debtors (including the Intercompany Claims), whether in law or equity, whether known or unknown, existing as of the Filing Date, other than Pre-Petition Note Claims, Priority Tax Claims and Other Priority Claims.

“Over-Funding” shall mean funds in a Custodial Trust Account in excess of those required for Environmental Actions with respect to the Designated Property and Transitional Property held in such account as determined pursuant to the terms of the Custodial Trust Agreement.

“Pension Plans” shall mean the employee benefit plans of the Debtors which are subject to Section 412 of the Internal Revenue Code or Section 302 of ERISA including, without limitation, the following: the Eagle-Picher Salaried and Closed Hourly Plan; and the Eagle-Picher Hourly Plan.

“Person(s)” shall mean a person as defined in section 101(41) of the Bankruptcy Code.

“Plan” shall mean the Debtors’ Second Amended Joint Plan of Reorganization dated May 31, 2006, filed by the Debtors, together with the exhibits thereto, as may be altered, amended or modified from time to time.

“Plan Consideration” shall mean all Cash, undertakings to fund future Cash payments or Deferred Cash Payments, New HoldCo Common Stock and any assumption of Assumed Liabilities to be provided or undertaken by any of the NewCos in exchange for the Transferred Assets, on the terms and conditions contained in the Purchase Agreements.

“Plan Supplement” shall mean the compilation of documents and form of documents, schedules and exhibits filed by the Debtors by the Exhibit Filing Date in connection with the Confirmation Hearing, as modified or supplemented prior to the Effective Date.

“Plan Trust” shall mean the trust established pursuant to the Plan Trust Agreement.

“Plan Trust Agreement” shall mean the trust agreement, as well as any other ancillary agreements or related documents, to be entered into pursuant to Article 6 of the Plan and filed with the Bankruptcy Court on or before the Exhibit Filing Date.

“Plan Trust Beneficiaries” shall mean the Holders of the Pre-Petition Note Claims and Other Unsecured Claims.

“Plan Trustee” shall mean the person designated by the Debtors and employed as trustee pursuant to the Plan Trust Agreement, and all successors to such person.

“Post-Effective Date” shall mean any time subsequent to the Effective Date.

“Pre-Petition Note Claims” shall mean the Claims of Holders of Pre-Petition Notes.

“Pre-Petition Note Indenture” shall mean the Indenture, dated as of August 7, 2003, pursuant to which the Pre-Petition Notes were issued.

“Pre-Petition Note Indenture Trustee” shall mean Wells Fargo Bank, National Association, in its capacity as Trustee for the Pre-Petition Notes.

“Pre-Petition Notes” shall mean the 9 ¾% Senior Notes Due 2013 issued by EPI and guaranteed by the subsidiaries and affiliates of EPI and Holdings.

“Priority Tax Claim” shall mean all Unsecured Claims of the kind entitled to priority in payment under sections 502(i) and 507(a)(8) of the Bankruptcy Code.

“Properties” shall mean the Designated Property and the Transitional Property, collectively.

“Pro Rata Share” shall mean proportionate, so that, for example, the ratio of the consideration distributed on account of an Allowed Claim to the amount of the Allowed Claim is the same as the ratio of the consideration distributed on account of all Allowed Claims in such Class to the amount of all Allowed Claims in that Class.

“Purchase Agreements” shall mean, collectively, the asset purchase agreements, bills of sale or other agreements or documents between the Debtors (other than EaglePicher Holdings) and

NewCos providing for the transfer to NewCos of the Transferred Assets on the Effective Date. The form of Purchase Agreements shall be filed as part of the Plan Supplement.

"RCRA" shall mean the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et al., as amended, which establishes a detailed scheme for the regulation of hazardous wastes.

"RCRA Permits" shall mean the permits issued under RCRA related to operations at the Debtors' facilities in Quapaw, Oklahoma; Joplin, Missouri and Lenexa, Kansas.

"Replacement DIP Facilities" shall mean, collectively, the Senior Replacement DIP Facility and the Junior Replacement DIP Facility.

"Replacement DIP Order" shall mean, collectively (i) the final order that was entered by the Bankruptcy Court on November 21, 2005, authorizing and approving the Senior Replacement DIP Facility and the Junior Replacement DIP Facility and the agreements related thereto; and (ii) any and all orders entered by the Bankruptcy Court authorizing and approving amendments to the Senior Replacement DIP Credit Agreement and the Junior Replacement DIP Credit Agreement.

"Reserve Fund" shall mean the reserve fund established pursuant to Section 7.02 of the Plan.

"Residual Interest" of each respective Custodial Trust Account shall be determined after the Property of such Custodial Trust Account has been sold or otherwise disposed of, or with respect to which the Environmental Actions have been completed, and shall mean any then remaining Property, plus the sum of all remaining net cash proceeds realized from the sale or disposition of the Property of such Custodial Trust Account, any amounts remaining in the applicable Custodial Trust Account and any proceeds thereof.

"Schedules" shall mean the schedules of assets and liabilities, the list of Holders of Equity Interests and the statement of financial affairs filed by the Debtors under section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, and all modifications and amendments thereto.

"Secured" shall mean, with respect to any Claim, a Claim secured by a valid and unavoidable Lien, to the extent of the value of the collateral to which such Lien is attached.

"Senior Exit Financing Facility" shall mean a Post-Effective Date working capital revolving credit financing, term and synthetic letter of credit facility extended to New HoldCo and NewCos, which shall be converted from the Senior Replacement DIP Facility, in substantially the form contained in the Plan Supplement, as the same may be amended, modified, or supplemented from time to time; and any and all additional documents related thereto filed in accordance with Section 5.07 of the Plan.

"Senior Exit Financing Facility Obligations" shall mean all Post-Effective Date obligations owing by New HoldCo and NewCos to the administrative agent and lenders arising under or pursuant to the Senior Exit Financing Facility, including, without limitation, principal and

interest on the Senior Exit Financing Facility, plus all reasonable fees and expenses (including professional fees and expenses) arising under the Senior Exit Financing Facility.

“Senior Replacement DIP Agent” shall mean General Electric Capital Corporation, the administrative agent and collateral agent for the Senior Replacement DIP Lenders as defined in the Senior Replacement DIP Credit Agreement.

“Senior Replacement DIP Credit Agreement” shall mean that certain First Lien Super-Priority Debtor In Possession and Exit Credit and Guaranty Agreement dated as of December 30, 2005, as amended, supplemented or otherwise modified from time to time, and all documents executed in connection with therewith, by and among the Debtors, the Senior Replacement DIP Agent, and the Senior Replacement DIP Lenders, which was executed by the Debtors in connection with the Senior Replacement DIP Facility.

“Senior Replacement DIP Facility” shall mean the senior secured debtor-in-possession financing facility in the original principal amount of \$220,000,000.00 provided to the Debtors by the Senior Replacement DIP Lenders pursuant to the Senior Replacement DIP Credit Agreement as authorized by the Bankruptcy Court pursuant to the Replacement DIP Order.

“Senior Replacement DIP Facility Obligations” shall mean all Claims of the Senior Replacement DIP Agent and the Senior Replacement DIP Lenders arising under or pursuant to the Senior Replacement DIP Facility, including, without limitation, principal and interest on the Senior Replacement DIP Facility, plus all reasonable fees and expenses (including professional fees and expenses) arising under the Senior Replacement DIP Facility.

“Senior Replacement DIP Lenders” shall mean the lenders from time to time party to the Senior Replacement DIP Credit Agreement.

“Shareholders Agreement” shall mean the agreement required under Section 5.05 of the Plan, in substantially the form contained in the Plan Supplement, which shall set forth certain agreements by and among the shareholders of New HoldCo.

“Subscription Form” shall mean the subscription form, in substantially the form contained in the Plan Supplement, which shall be duly executed and completed by each Holder of an Allowed Claim in Class 2C, 2D, 2E or 2F as required under Section 5.05 of the Plan, pursuant to which such Holder shall make certain representations and warranties to the Debtors and New HoldCo.

“Subsequent Cash Option Distribution Date” shall mean, in the case of a Claim being treated in accordance with Section 4.03(c)(ii), 4.03(d)(ii), 4.03(e)(ii) or 4.03(f)(ii) of the Plan, the next Subsequent Distribution Date or such earlier date that the Plan Trustee, in its discretion, shall determine.

“Subsequent Distribution Date” shall mean the first Business Day that is six months after the Initial Distribution Date, with future Subsequent Distribution Dates to occur on the first Business Day at six month intervals thereafter.

"TP Leases" shall mean the leases entered into with respect to the Transitional Property.

"Transferred Assets" shall mean substantially all of the operating assets of the Debtors (other than EaglePicher Holdings, Inc.) that will be transferred to NewCos as more specifically defined in the Purchase Agreement. The Transferred Assets consist of the Debtors' right, title and interest in such assets and does not extend beyond their right, title and interest.

"Transitional Property" shall mean the real property identified on Exhibit D to the Disclosure Statement under the heading Transitional Property.

"Unsecured" shall mean, with respect to any Claim, a Claim, existing as of the Filing Date, to the extent of the amount of such Claim which (a) is not Secured, or (b) is greater than the value of any property of the Debtor that is the subject of a valid and unavoidable lien or security interest securing such Claim.

"Unsecured Claim Distribution Amount" shall mean, as to a holder of an Allowed Pre-Petition Note Claim or an Allowed Other Unsecured Claim, such holder's Pro Rata Share of that portion of the Net Distributable Value available for distribution by the respective Debtor, calculated by taking the ratio of that holder's Allowed Claim to the sum of all Allowed Pre-Petition Note Claims and Allowed Other Unsecured Claims against such Debtor, and multiplied by the Net Distributable Value for that Debtor.

"USEPA" shall mean the United States Environmental Protection Agency.

EXHIBIT B

ASSET TRANSFERS

Debtor/ Transferor	Transferred Assets¹	Transferee
EPI	100% of common stock of Eagle-Picher Industries Europe, B.V.	New HoldCo
EPI	EPI Corporate HQ Real and Personal Property	New EaglePicher Management Co.
EPI	Wolverine Division Real and Personal Property	New Wolverine LLC
EPI	100% of common stock of Eagle-Picher Far East, Inc.	New Wolverine LLC
EPI	The membership interest in EaglePicher Investments, LLC	New EP Technologies LLC
EPI	99.9% of the common stock of EPTEC, S.A. de C.V.	New HoldCo
EPT	DSP & Distributed Products Division Real and Personal Property	New DSP LLC
EPT	Boron Division Real and Personal Property	New Boron LLC
EPT	100% of common stock of Eagle Picher Energy Products Corporation	New HoldCo
EPT	45% equity interest in Diehl & Eagle-Picher GmbH	New DSP LLC
EPPHS	EaglePicher Pharmaceutical Services, LLC Real and Personal Property	New EP Pharmaceutical LLC
EPF&M	EaglePicher Filtration & Minerals, Inc. Real and Personal Property	New EP Filtration & Minerals LLC
EPF&M	100% of common stock of EP Minerals	New HoldCo

¹ As defined in the Plan. The Transferred Assets do not include any Designated Property, Initial Plan Trust Assets or Future Plan Trust Assets.

	International S.A.R.L.	
Hillsdale Debtors	EaglePicher Automotive, Inc. Real and Personal Property	New Hillsdale LLC
Hillsdale Debtors	Carpenter Enterprises Limited Real and Personal Property	New Hillsdale LLC
Hillsdale Debtors	Daisy Parts, Inc. Real and Personal Property	New Hillsdale LLC
Hillsdale Debtors	0.1% of the common stock of EPTEC, S.A. de C.V.	New EaglePicher Management Co.

EXHIBIT C

DESIGNATED PROPERTY

PARCEL NUMBER	APPROX. ACREAGE	PROPERTY DESCRIPTION	LOCATION	OWNER
<i>Galena, Cherokee County, Kansas</i>				
2011200000016000	5.1	N. Wood Rd., Vicinity of Smelter	Galena	EPT
2011200000021000	36	Rt. 1, Vicinity of Smelter	Galena	EPT
2061302001001000	53	Clark St., Smelter	Galena	EPT
2061302001002000	11937 SF	Clark St., Smelter	Galena	EPT
2061302001003000	37500 SF	Clark St., Smelter	Galena	EPT
2061302001004000	15625 SF	Clark St., Smelter	Galena	EPT
2061302001005000	25050 SF	Clark St., Smelter	Galena	EPT
2061302002001000	6.9	Clark St., Smelter	Galena	EPT
2061302003001000	27675 SF	Clark St., Smelter	Galena	EPT
2061302009002000	1.1	Bellevue St., Vicinity of Smelter	Galena	EPT
2061302009003000	1.3	Bellevue St., Vicinity of Smelter	Galena	EPT
2061302010001000	1.3	Bellevue St., Vicinity of Smelter	Galena	EPT
2061302010002000	6250 SF	Bellevue St., Vicinity of Smelter	Galena	EPT
2061302010004000	29125 SF	Bellevue St., Vicinity of Smelter	Galena	EPT
2061302011001000	1.5	Bellevue St., Vicinity of Smelter	Galena	EPT
2061302011002000	1.5	Bellevue St., Vicinity of Smelter	Galena	EPT
2061302012001000	12500 SF	Bellevue St., Vicinity of Smelter	Galena	EPT
2061302014001000	1.5	Bellevue St., Vicinity of Smelter	Galena	EPT
2061302015001000	1.3	Bellevue St., Vicinity of Smelter	Galena	EPT
2061302016001000	12	E. Front St., Vicinity of Smelter	Galena	EPT
2061401013006000	35418 SF	E. Grand Ave., Vicinity of Smelter	Galena	EPT
2061401013007000	16674 SF	Water St., Vicinity of Smelter	Galena	EPT

EXHIBIT C

PARCEL NUMBER	APPROX. ACREAGE	PROPERTY DESCRIPTION	LOCATION	OWNER
2061401013008000	25000 SF	Water St., Vicinity of Smelter	Galena	EPT
2061401013010000	4.7	Clark St., Vicinity of Smelter	Galena	EPT
2061401023002000	1.5	Water St., Vicinity of Smelter	Galena	EPT
2061401028001000	1.4	Prospect St., Vicinity of Smelter	Galena	EPT
2061401029001000	1.1	Water St., Vicinity of Smelter	Galena	EPT
<i>Baxter Springs, Cherokee County, Kansas</i>				
2221000000002000	12	W 19th St.	Baxter Springs	EPT
2221000000009000	7	S. Ballard Rd.	Baxter Springs	EPT
2251600000002000	3.6	SE Treece Rd.	Baxter Springs	EPT
<i>Columbus, Cherokee County, Kansas</i>				
2311100000006000	2200 SF	SW Treece Rd	Columbus	EPT
<i>Hockerville, Ottawa County, Oklahoma</i>				
0000-14-029-023-0-017-00	2.3		Hockerville	EPT
0000-14-029-023-0-006-00	1.52		Hockerville	EPT
<i>Picher, Ottawa County, Oklahoma*</i>				
6710-17-029-023-0-001-01	15.11		Picher	EPI
<i>River Rouge, Michigan</i>				
50-008-99-0007-701	5	Adjacent to 1900 West Pleasant Ave.	River Rouge	EPI
<i>Galena, Illinois</i>				
SE ¼ Section 25, T29N, R1W	9	Graham Mine	Galena	EPI
<i>Urbana, Ohio</i>				
K48-25-11-01-33-020-00	2.86	Adjacent to 720 S. Edgewood Ave.	Urbana	EPI
<i>Sidney, Ohio</i>				
01-22110481.001	12	Lot 5199, Brooklyn Ave.	Sidney	EPI
02-018-025-326-0034	0.3	Lot 5199, Brooklyn Ave.	Sidney	EPI
<i>Stella, Missouri*</i>				
		106 N. Ozark St.	Stella	EPT
<i>Joplin, Missouri (Non-Operating)*</i>				
		1927 W. 4th St. and 20 th and Iron Gates	Joplin	EPT

*The Debtors are in the process of transferring these properties to unrelated third parties and anticipate that they will be deleted from the final version of this document approved by the Court.

EXHIBIT C

TRANSITIONAL PROPERTY

PARCEL NUMBER	APPROX. ACREAGE	PROPERTY DESCRIPTION	LOCATION	OWNER
<i>Hillsdale, Michigan (Rubber Plant)</i>				
006221276001	6.8	215 Industrial Drive	Hillsdale	Hillsdale Debtors
<i>Hillsdale, Michigan (Industrial Drive)</i>				
006221276001	6.8	221 Industrial Drive	Hillsdale	Hillsdale Debtors
<i>Hillsdale, Michigan (South Street)</i>				
42630626	4.4	135 E. South Street	Hillsdale	Hillsdale Debtors
<i>Inkster, Michigan</i>				
990010001		2424 John Daly & 2638 Princess Street	Inkster	EPI
<i>Miami, Oklahoma</i>				
5220-00-002-000-0-000-00				
5220-00-003-001-0-000-00	5.03	200 BJ Tunnel Blvd.	Miami	EPT

EXHIBIT D

NewCos¹

- New HoldCo
- New EaglePicher Management Co.
- New EaglePicher Automotive L.L.C.
- New EaglePicher Technologies L.L.C.
- New EaglePicher Filtration & Minerals L.L.C.
- New Wolverine L.L.C.
- New Hillsdale L.L.C.
- New Boron L.L.C.
- New EaglePicher Pharmaceutical L.L.C.
- New DSP L.L.C.

¹ As set forth in Section V.A.6 of the Disclosure Statement, the actual legal names of the NewCos upon formation may differ from the names identified herein, however the organizational structure will be substantially as set forth in Exhibit C to the Disclosure Statement.